EXHIBIT 1

78-80 St Marks Place

78-80 St Marks Place
New York, New York County, NY 10003

NKF Job No.: 21-0133484-1

Appraisal Report Prepared For:

Tony Petruccello
Director of Operations
Silver Arch Capital Partners, LLC
433 Hackensack Ave, 12th Floor
Hackensack, NJ 07601

Prepared By:

Newmark Knight Frank
Valuation & Advisory, LLC
125 Park Avenue
New York, NY 10017

Newmark Knight Frank

April 27, 2021

Tony Petruccello
Director of Operations
Silver Arch Capital Partners, LLC
433 Hackensack Ave, 12th Floor
Hackensack, NJ 07601

RE: Appraisal of a Mixed-Use Property located at 78-80 St Marks Place, New York, New York County, NY 10003, prepared by Newmark Knight Frank Valuation & Advisory, LLC (herein "Firm" or "NKF")

NKF Job No.: 21-0133484-1

Dear Mr. Petruccello:

The subject of this appraisal consists of two 4-story, mixed-use buildings located at 78-80 St Marks Place in the East Village neighborhood of Manhattan. The improvements were constructed in 1920 and are situated on a 4,875 square-foot land parcel. The property is legally identified as Block 449, Lot 28. It has a gross building area of 14,400 square and a total net rentable area of 10,750 square feet. It features 3 residential units, all of which are market rate, and 3 commercial units. The residential unit mix consists of 1 studio unit, 1 one-bedroom unit, and 1 four-bedroom triplex unit. The residential net rentable area is 4,250 square feet with an average unit size is 1,417 square feet. The commercial component has a total net rentable area of 6,500 square feet, which includes partially below grade area (ground), parlor level, and second floor. All of the commercial spaces are currently owner-occupied, as well as the triplex residential unit. The subject was inspected on April 15, 2021, and was found to be in overall average condition.

Key Value Considerations

Strengths

- The subject is located on the south side of St. Marks Place, three blocks from the Astor Place subway station with service to the "6" train.
- Four blocks from the 8th Street subway station with service to "R" and "W" trains.
- High occupancy rates of rent comparables in similar building types.

Risk Factors

- The uncertainties related to the ongoing COVID-19 pandemic.

COVID-19 Pandemic

The COVID-19 Pandemic has had a significant impact on the economy and, by extension, real estate markets. Commercial real estate is transforming and adapting with some similarities and

some differences to previous crises. As the Pandemic has progressed, there has been greater clarity about the effects through metric and transactional data as well as market participant information and expectations. Investment volume in 2020 declined 32.1% year-over-year, however investor momentum shifted significantly in the fourth quarter, with volume increasing by 93.9% quarter-over-quarter, according to Newmark Capital Markets Research. Available data and analyses are contained within this appraisal report and are a foundation to the appraisal. Effects and projections related to COVID-19 will be addressed throughout the report. The following are highlights relevant to the subject and this market.

- Short term collection losses of six months are typically applied to all income.
- Marketing time was extended to 6 to 12 months.

Based on the analysis contained in the following report, the opinion of value for the subject is:

Value Conclusions			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value Conclusion**
Market Value "As Is"	Leased Fee	4/15/2021	$9,800,000

Compiled by NKF

Extraordinary Assumptions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

Hypothetical Conditions

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

The appraisal was developed based on, and this report has been prepared in conformance with the Client's appraisal requirements, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of New York.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, Helene Jacobson, MAI, MRICS has completed the continuing education program for Designated Members of the Appraisal Institute.
12. As of the date of this report, Wendy Hwang, MRICS has completed the Standards and Ethics Education Requirements for Candidates of the Appraisal Institute.
13. Wendy Hwang, MRICS made a personal inspection of the property that is the subject of this report. Helene Jacobson, MAI, MRICS has not personally inspected the subject.
14. No one provided significant real property appraisal assistance to the person(s) signing this certification.
15. The Firm operates as an independent economic entity. Although employees of other service lines or affiliates of the Firm may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
16. Within this report, "Newmark Knight Frank", "NKF Valuation & Advisory", "NKF, Inc.", and similar forms of reference refer only to the appraiser(s) who have signed this certification and any persons noted above as having provided significant real property appraisal assistance to the persons signing this report.

17. Wendy Hwang, MRICS has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment. Helene Jacobson, MAI, MRICS has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.

Wendy Hwang, MRICS
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Certified General Real Estate Appraiser
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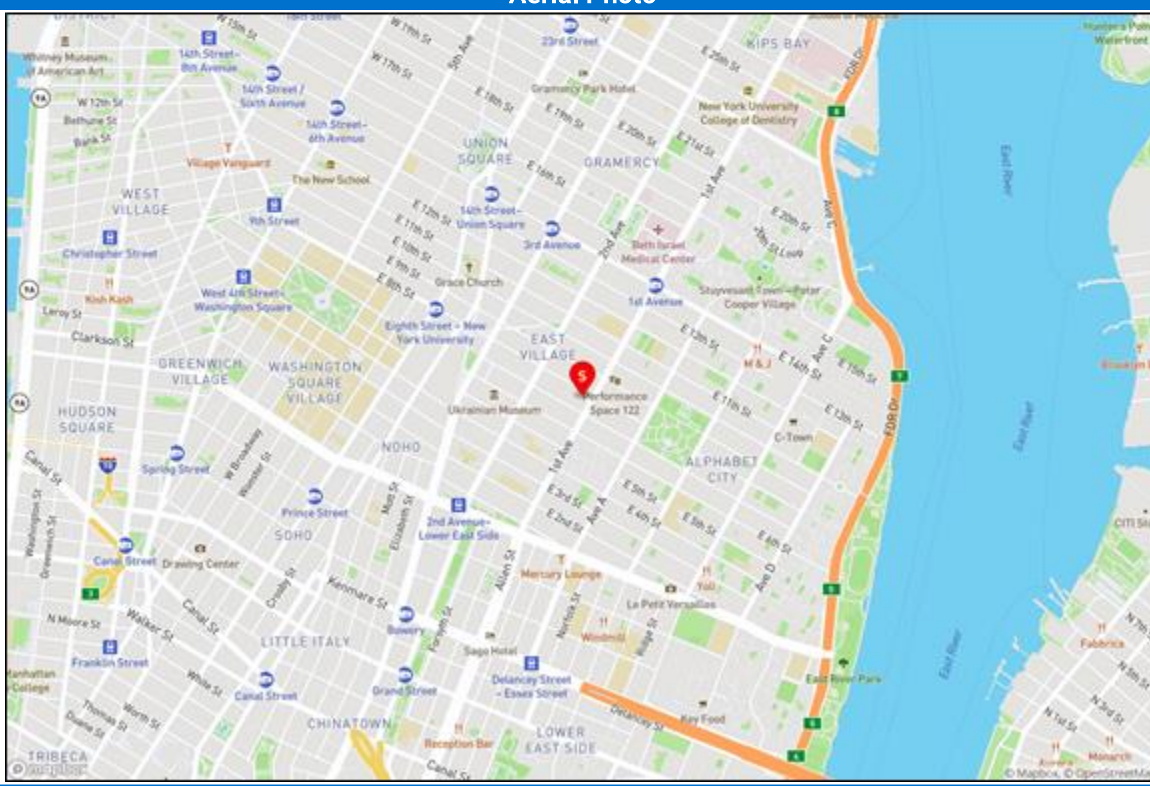
Aerial Photo



Location Map

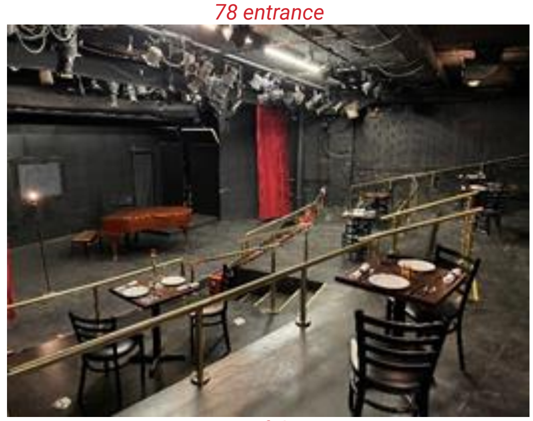

View of subject


View of St Marks Place facing northwest


View of St Marks Place facing southeast

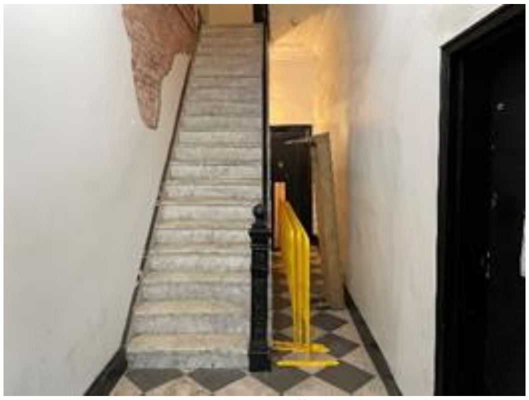

78 entrance


80 entrance


View of theater

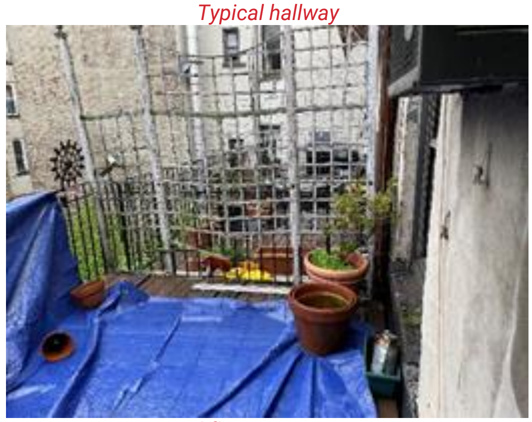

View of tavern


View of mueseum


Stairwell

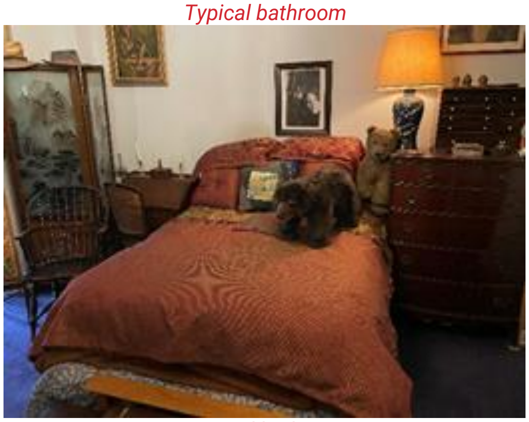

Typical hallway


View of living area


3rd floor rear terrace


Typical bathroom


2nd floor front terrace


Typical bedroom


Kitchen


View of building rear


Boiler


Electric meters


Split condenser


Gas meter


Hot water tank


Exterior view of commercial space

Executive Summary

78-80 St Marks Place	
Property Type:	Multifamily-Walk-Up
Street Address:	78-80 St Marks Place
City, State & Zip:	New York, New York County, NY 10003
Block/Lot:	Block: 449; Lot: 28
Gross Building Area (SF):	14,400
Net Rentable Area (SF):	10,750
Residential Rentable SF	4,250
Commercial Rentable SF	6,500
Total Number of Units:	6
Number of Units (Resi):	3
Number of Units (Comm):	3
Year Built (Renovated):	1920
Current Occupancy:	66.7%
Land Area:	0.112 acres; 4,875 SF
Zoning:	R7A with C1-5 Overlay
Highest and Best Use - As Vacant:	A Mixed-Use
Highest and Best Use - As Improved:	Mixed-Use
Analysis Details	
Valuation Date:	
Market Value "As Is"	April 15, 2021
Inspection Date and Date of Photos:	April 15, 2021
Report Date:	April 27, 2021
Report Type:	Appraisal Report
Client:	Silver Arch Capital Partners, LLC
Intended Use:	Loan underwriting and-or credit decisions
Intended User:	Silver Arch Capital Partners, LLC
Appraisal Premise:	As Is
Intended Use and User:	The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.
Interest Appraised:	Leased Fee
Exposure Time (Marketing Period) Estimate:	6 to 12 Months (6 to 12 Months)

Compiled by NKF

Leasing Summary				
Rental Unit Subtotals	**0 BR**	**1 BR**	**4 BR**	**Overall**
Average Unit Size	850 SF	850 SF	2,550 SF	1,417 SF
Average Unit Contract Rent	$3,605	$2,950	$0	$3,278
Unit Occupancy	100.0%	100.0%	0.0%	66.7%
Unit Market Rent	$3,967	$3,825	$12,750	$6,847

Valuation Summary					
Sales Comparison Approach					$ Total
Number of Sales					5
Range of Sale Dates					Feb-20 to Feb-21
Adjusted Range of Comparables ($/SF)					$689.03 to $951.09
Indicated Sales Comparison Approach Value	As Is				$9,400,000
Income Capitalization Approach - Direct Capitalization Method					$ Total
Capitalization Rate Indicators and Conclusion					**Indication**
Comparable Sales					4.53% - 6.25%
Investor Surveys					3.50% - 7.00%
Market Participants					4.50% - 5.50%
Concluded Going-In Capitalization Rate					5.00%
Stabilized Income Estimate					
Potential Gross Income					$923,610
Stabilized % Vacancy & Collection Loss					($59,988)
Effective Gross Income					$863,622
Operating Expenses					$268,272
Operating Expense Ratio					31.1%
Net Operating Income					$595,350
Capitalization Rate					5.00%
Indicated Direct Capitalization Value	As Is				$9,800,000
Indicated Income Capitalization Approach Value	As Is				$9,800,000
Market Value Conclusion	**As Is**				**$9,400,000**
Exposure / Marketing Time		**Min**	**Max**	**Average**	
PwC - National Apartment - Overall Q1 2021		1	12	5.3	
Situs RERC - National Apartment - Overall Q4 2020		N/A	N/A	5.6	
Concluded Exposure Time	6 to 12	Months or Less			
Concluded Marketing Time	6 to 12	Months or Less			

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Extraordinary Assumptions and Hypothetical Conditions

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1. None

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1. None

Compiled by NKF

Introduction

Ownership History

The current owner is 78-80 St. Marks Place, LLC. The following summarizes a five-year history of ownership, the current listing status, and pending transactions for the subject property (as applicable).

Ownership History	
To the best of our knowledge, no sale or transfer of ownership has taken place within the three-year period prior to the effective date of the appraisal.	
Listing Status:	Not Listed For Sale
Current or Pending Contract:	None Reported
Previous Sales	
Sales in the Previous Three Years:	None

Compiled by NKF

Intended Use and User

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to non-client, non-intended users does not extend reliance to any other party and Newmark Knight Frank will not be responsible for unauthorized use of the report, its conclusions or contents used partially or in its entirety.

- The intended use of the appraisal is for Loan underwriting and-or credit decisions and no other use is permitted.
- The client is Silver Arch Capital Partners, LLC.
- The intended user is Silver Arch Capital Partners, LLC and no other user is permitted by any other party for any other purpose.

Definition of Value

Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;

- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Interest Appraised

The appraisal is of the Leased Fee interest.[1]

- ***Leased Fee Interest:*** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Appraisal Report

This appraisal is presented in the form of an appraisal report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of USPAP. This report incorporates sufficient information regarding the data, reasoning and analysis that were used to develop the opinion of value in accordance with the intended use and user.

Purpose of the Appraisal

The purpose of the appraisal is to develop an opinion of the As Is value of the Leased Fee interest in the subject property.

Purpose of the Appraisal		
Appraisal Premise	**Interest Appraised**	**Date of Value**
Market Value "As Is"	Leased Fee	4/15/2021

Compiled by NKF

Scope of Work

Extent to Which the Property is Identified

- Physical characteristics
- Legal characteristics
- Economic characteristics

[1] The Dictionary of Real Estate, 6th Edition, Appraisal Institute

Extent to Which the Property is Inspected

NKF inspected the subject property on April 15, 2021, as per the defined scope of work. Wendy Hwang, MRICS made a personal inspection of the property that is the subject of this report. Helene Jacobson, MAI, MRICS has not personally inspected the subject.

Type and Extent of the Data Researched

- Exposure and marking time;
- Neighborhood and land use trends;
- Demographic trends;
- Market trends relative to the subject property type;
- Physical characteristics of the site and applicable improvements;
- Flood zone status;
- Zoning requirements and compliance;
- Real estate tax data;
- Relevant applicable comparable data; and
- Investment rates

Type and Extent of Analysis Applied

We analyzed the property and market data gathered through the use of appropriate, relevant, and accepted market-derived methods and procedures. Further, we employed the appropriate and relevant approaches to value, and correlated and reconciled the results into an estimate of market value, as demonstrated within the appraisal report.

Economic Analysis

The Impact of COVID-19

It is well known that the past several months have been volatile. Real estate market volatility has resulted from the COVID-19 pandemic as well as other events such as oil price declines. Every day, there is greater clarity about the effects and expectations as evidenced by transaction activity, various data sources, and market participants. We have continuously reached out to brokers and other market participants to understand how the market is reacting.

Most of our major data sources, such as Moody's economy.com, include both COVID-19 pandemic period data and projections inclusive of its effects. This data is included within this section as well as throughout this report and is a central foundation of our analysis. There are an increasing number of transactions occurring and these are providing indications of trends.

Area Analysis

Area Map

The subject is located within New York and New York County, New York. It is part of the New York City-Jersey City-White Plains metro area (New York City MSA).

Moody's Analytics' Economy.com provides the following economic summary for the New York City MSA as of March, 2021.

Moody's Analytics Précis® Metro Indicators: New York City Metro

2014	2015	2016	2017	2018	2019	INDICATORS	2020	2021	2022	2023	2024	2025
1,037.1	1,056.9	1,079.3	1,102.4	1,134.3	1,159.9	Gross metro product (C12$ bil)	1,071.6	1,114.1	1,194.3	1,239.3	1,270.3	1,297.9
1.5	1.9	2.1	2.1	2.9	2.3	% change	-7.6	4.0	7.2	3.8	2.5	2.2
6,582.7	6,746.1	6,879.8	7,006.5	7,123.6	7,245.8	Total employment (ths)	6,510.2	6,724.4	7,077.6	7,269.6	7,350.7	7,379.2
2.6	2.5	2.0	1.8	1.7	1.7	% change	-10.2	3.3	5.3	2.7	1.1	0.4
6.8	5.5	5.0	4.5	4.1	3.7	Unemployment rate (%)	11.2	9.1	6.5	5.2	5.1	5.2
5.0	4.5	4.1	7.0	4.5	4.0	Personal income growth (%)	5.6	6.2	0.6	5.2	4.3	3.8
61.4	63.3	65.9	69.1	72.5	76.1	Median household income ($ ths)	77.9	80.1	80.0	83.2	86.2	89.0
14,219.1	14,262.8	14,280.7	14,266.0	14,222.0	14,172.5	Population (ths)	14,156.1	14,159.1	14,180.3	14,203.3	14,225.1	14,244.3
0.4	0.3	0.1	-0.1	-0.3	-0.3	% change	-0.1	0.0	0.1	0.2	0.2	0.1
-37.6	-46.8	-72.4	-99.3	-118.0	-116.6	Net migration (ths)	-89.7	-70.1	-50.9	-47.8	-47.8	-48.6
7,270	6,823	6,637	7,212	6,989	7,850	Single-family permits (#)	7,795	9,837	13,184	13,591	14,087	14,389
30,011	67,017	27,073	33,942	32,008	42,629	Multifamily permits (#)	35,459	25,711	27,725	29,922	31,294	30,978
225	234	242	254	265	274	FHFA house price (1995Q1=100)	283	293	303	328	350	367

Source: Moody's Analytics Précis® US Metro

Overview

New York City consists of five counties at the mouth of the Hudson River in the southeast area of New York State.

The borough of Manhattan, also referred to as New York County, forms the political, financial and cultural core of the City. It is the economic growth engine of the Greater New York Region. The City's other boroughs are Brooklyn, Queens, Staten Island, and the Bronx, otherwise known as Kings, Queens, Richmond, and Bronx counties.

The area's vast mass transit infrastructure closely connects the five boroughs as well as the surrounding suburban areas, forming the Greater New York Region. This region covers 21 counties in the southeastern section of New York State, southwestern corner of Connecticut, and Central and Northern New Jersey.

Highlights

The following are notable points about New York City:

- New York is heavily weighted in the service and retail industries. This creates a large demand for office and retail space within the market.
- The city is home to the two largest stock exchanges in the world, the New York Stock Exchange and the NASDAQ.
- New York is home to many large financial institutions, including Citigroup, JPMorgan Chase, Barclays and Bank of America.

Of the current Fortune 500 companies, 52 are headquartered in New York City.

Recent Performance

The following facts were highlighted in the most recent Federal Reserve Beige Book, which was published in January 2021:

- Economic activity in the Second District weakened moderately in the latest reporting period.
- The labor market has softened somewhat, with employment slipping in almost all service industries, where activity has been further constrained by a rise in COVID-19 cases, increased restrictions, and cold weather. However, businesses reported a modest increase in hiring plans and rising wage pressures.
- Input prices continued to rise at a moderate pace, and selling prices picked up modestly.
- Consumer spending declined, with holiday sales down from last year and auto sales weakening.
- Housing markets have been mixed, while markets for office and retail space weakened further.
- Finally, banks reported some pickup in loan demand and little change in delinquency rates.
- Despite the recent weakening in business conditions, contacts grew somewhat more optimistic about the near-term outlook.

Construction

The construction discussion has been sourced from the most recent Federal Reserve Beige Book, which was published in January 2021:

- Housing markets have remained mixed in the latest reporting period. Sales markets in upstate New York remained strong in the final weeks of 2020, with homes selling quickly and prices continuing to rise. New York City's co-op and condo market has picked up in recent weeks, with both sales and prices rising modestly, though still below late-2019 levels. Housing markets in areas around New York City, on the other hand, have leveled off, following an exceptionally strong third quarter. The number of new listings is up from a year ago, while the inventory of homes on the market remains high in New York City but low elsewhere.
- The residential rental market has continued to weaken, led by New York City. Partly reflecting increased landlord concessions, effective rents in Manhattan and Queens are reported to be down more than 20 percent from a year earlier and down 8 percent in Brooklyn. Rental vacancy rates across New York City are reported to be at multi-decade highs.

- Commercial real estate markets have weakened further, to varying degrees, across the District. Retail and office markets have been particularly weak in New York City, with asking rents trending down and well below year-earlier levels. Elsewhere, office markets have been modestly weaker, while retail markets have mostly been flat. The market for industrial space, however, has remained fairly firm.
- New construction activity has remained sluggish in both the residential and commercial segments. Contacts in the construction industry continued to report weakening activity but have grown substantially less pessimistic about the near-term outlook. Contacts continued to report sharp increases in the cost of materials and scattered shortages and delays.

Tourism

According to the Mayor's office and the New York City & Company:

- New York City welcomed 22.3 million visitors in 2020, which is significantly below the 66.6 million visitors in 2019, a peak for NYC. The NYC & Co. reported that tourism rose to record levels with 65.1 million tourists in 2018, up nearly 3.7% from 62.8 million in 2017.
- Due to the onset of COVID-19, international travel has been limited in order to contain the spread of the virus which has resulted in a negative impact on tourism in 2020 and potentially extending until early 2021. Based on the historic tourism and daily foot traffic drivers of the region, NYC may experience a greater impact than other regions in the country from these measures until the vaccine is widely distributed. However, we anticipate that tourism will return to pre-COVID levels once the vaccine is widely distributed.
- An overview of NYC tourism performance and post COVID-19 recovery projections have been highlighted on the following chart:

NYC Travel & Tourism Visitation Statistics				
Year	Total Tourists	Domestic Tourists	International Tourists	Direct Visitor Spending (Billions)
2010	48,800,000	39,000,000	9,800,000	$31.50
2011	50,900,000	40,300,000	10,600,000	$34.50
2012	52,700,000	41,800,000	10,900,000	$46.90
2013	54,300,000	42,800,000	11,500,000	$38.80
2014	56,500,000	44,500,000	12,000,000	$41.20
2015	58,500,000	46,200,000	12,300,000	$42.30
2016	60,500,000	47,800,000	12,700,000	$43.00
2017	62,800,000	49,700,000	13,100,000	$44.20
2018	65,000,000	51,500,000	13,600,000	$46.40
2019	66,200,000	53,100,000	13,520,000	$47.40
2020	22,300,000	19,870,000	2,430,000	
2021*	36,400,000	31,800,000	4,600,000	
2022*	57,200,000	48,900,000	8,300,000	
2023*	64,700,000	53,600,000	11,100,000	
2024*	69,300,000	56,300,000	13,000,000	
2025*	72,400,000	58,400,000	14,000,000	

*Forecast statistics from NYC & Company

Source: NYC & Company

- Of the 22.3 million tourists that visited New York City in 2020, 19.1 million of the visitors came from the United States, while 2.43 million were international tourists.
- Traditionally, the United Kingdom, China, Canada, Brazil and France were the top-5 countries tourists came from.

Construction Spending

According to the Construction Outlook report compiled by the New York Building Congress:

- $60.6 billion was spent on construction in New York City in 2019, which is has declined by 8.5% to $55.5 billion in 2020. However, the 2020 statistics matched the 2017's then-record-breaking amount.
- The congress forecasts that over the next 3 years, over $168.5 billion in construction spending will occur.
- The non-residential construction spending was $21.2 billion, which decreased by $16.6 billion in 2020. Office construction specifically, is expected to increase in 2021 and subsequently decline in 2022, with spending driven by an increase in interior renovations and a decline in core and shell construction.
- The congress forecasts that a portion of new office starts are expected to be pushed past the next three years into 2023 and 2024.

- The building congress projection construction spending throughout the five boroughs by the Metropolitan Transportation Authority increased to $8.7 billion in 2020, from the total of $8 billion in 2019.
- Residential spending, which includes spending on new construction as well as alterations and renovations to existing buildings, is projected to reach $17.8 billion in 2020, down from $19.7 billion in 2019.
- Residential construction is expected to add 20,450 units in 2020 and 15,000 units in 2021, for a total of 50,450 new housing units from 2020 to 2022. The forecasted period will likely result in 33% fewer new housing units and a 14% drop in constructed floorspace square footage, compared to 2017 through 2019.

Transportation

The transportation system in the New York City - Newark - Jersey City MSA is diversified and extensive, as highlighted by the following:

Air Transportation

JFK International Airport is located on Jamaica Bay in the southeastern section of Queens County, New York City. The airport is located 15 miles by highway from midtown Manhattan. JFK contributes about $31.5 billion in economic activity to the New York/New Jersey region. Newark Liberty International Airport opened in 1948 and contributes approximately $20.2 billion in economic activity to the metropolitan area. LaGuardia Airport is located in Queens on Flushing Bay, approximately eight miles from Midtown Manhattan.

Public Transportation

The Metropolitan Transportation Authority is North America's largest transportation network, serving the population of New York City, Long Island, southeastern New York State, and Connecticut. Long Island Rail Road (LIRR) is the largest commuter railroad and the oldest railroad in America operating under its original name. Amtrak provides passenger rail service to the New York City - Northern New Jersey - Long Island metropolitan area through Penn Station in Manhattan.

According to the Metropolitan Transportation Authority/New York City Economic Development Corporation:

- Total ridership on MTA subways in 2019 increased by 1.1% from 2018.
- Total ridership on MTA buses in 2019 decreased by 2.2% from 2018.

The growth in subway transportation in 2019 marks the first year of positive growth noted by the MTA since 2014. However, the MTA notes that bus transportation witnessed a decline for the 6th year in a row. The rise of mobile apps such as Lyft and Uber have limited the amount of weekend

and late-night ridership that was witnessed in years past. We anticipate that COVID will continue to have a negative impact on use of public transportation.

Moody's Market Summary

Moody's summarizes the area's economic performance in recent months as follows:

Recent Performance

The economic nightmare is ending for New York City Metro, but morning has yet to arrive. Steady progress in the labor market gave way to a small decline in payrolls to end 2020, with consumer industries struggling through renewed closures and a dearth of holiday visitors. Real-time data on in-person dining suggest minimal improvement to begin 2021, and commuter volume finished 2020 dramatically lower. The housing market, meanwhile, is a mixed bag. Condo prices and apartment rents are falling, especially in Manhattan, but the outer boroughs are holding their own and sales are rising broadly.

Market Comparison

The following table illustrates key economic indicators and a comparison of the New York City MSA to the regional grouping as a whole. As indicated, New York City is projected to outperform the National Region Metros in three of eight performance categories shown over the next five years.

Comparison of Key Economic Indicators - New York City Metro Metro to National Region

	New York City Metro			Annual Growth		National			Annual Growth	
Indicator	2015	2020	2025	2015 - 2020	2020 - 2025	2015	2020	2025	2015 - 2020	2020 - 2025
Gross metro product (C12$ bil)	1,056.9	1,071.6	1,297.9	0.3%	3.9%	17,432	18,423	21,900	1.1%	3.5%
Total employment (ths)	6,746.1	6,510.2	7,379.2	-0.7%	2.5%	141,804	142,259	154,979	0.1%	1.7%
Unemployment rate (%)	5.5%	11.2%	5.2%			5.3%	8.1%	4.2%		
Personal income growth (%)	4.5%	5.6%	3.8%			4.9%	6.3%	4.4%		
Population (ths)	14,262.8	14,156.1	14,244.3	-0.2%	0.1%	320,739	329,484	338,293	0.5%	0.5%
Single-family permits (#)	6,823	7,795	14,389	2.7%	13.0%	712,250	1,002,000	1,490,667	7.1%	8.3%
Multifamily permits (#)	67,017	35,459	30,978	-12.0%	-2.7%	394,500	395,000	476,230	0.0%	3.8%
FHFA house price (1995Q1=100)	234	283	367	3.9%	5.4%	N/A	N/A	N/A	N/A	N/A

New York City Metro outperforming National Region Metros

New York City Metro underperforming National Region Metros

Source: Moody's Analytics Précis® US Metro; Compiled by NKF

Employment Sectors and Trends

Employment data by occupation and business/industry sectors provides an indication of the amount of diversification and stability in the local economy. Job sector composition also gives an indication of the predominant drivers of current and future demand for supporting commercial real estate sectors. The following tables display employment data by occupation sector and by business/industry sector for the area and region.

Current Employment by Occupation Sector

Occupation Sector	10003		New York City		New York County		New York-Newark-Jersey City, NY-NJ-PA MSA		New York	
White Collar	**28,049**	**90.2%**	**2,388,788**	**63.4%**	**680,576**	**81.4%**	**5,929,814**	**66.3%**	**5,775,146**	**64.3%**
Administrative Support	2,386	7.7%	466,564	12.4%	76,683	9.2%	1,153,747	12.9%	1,174,734	13.1%
Management/Business/Financial	10,284	33.1%	607,657	16.1%	232,370	27.8%	1,548,151	17.3%	1,396,191	15.5%
Professional	12,281	39.5%	976,028	25.9%	288,046	34.4%	2,361,314	26.4%	2,361,463	26.3%
Sales and Sales Related	3,098	10.0%	338,539	9.0%	83,477	10.0%	866,602	9.7%	842,758	9.4%
Services	**2,436**	**7.8%**	**849,415**	**22.6%**	**109,346**	**13.1%**	**1,637,125**	**18.3%**	**1,776,696**	**19.8%**
Blue Collar	**608**	**2.0%**	**527,223**	**14.0%**	**46,638**	**5.6%**	**1,374,336**	**15.4%**	**1,431,186**	**15.9%**
Construction/Extraction	144	0.5%	164,492	4.4%	11,469	1.4%	416,364	4.7%	422,344	4.7%
Farming/Fishing/Forestry	0	0.0%	2,639	0.1%	184	0.0%	9,210	0.1%	26,701	0.3%
Installation/Maintenance/Repair	50	0.2%	63,294	1.7%	5,957	0.7%	190,622	2.1%	204,399	2.3%
Production	136	0.4%	84,147	2.2%	9,892	1.2%	254,755	2.8%	294,764	3.3%
Transportation/Material Moving	278	0.9%	212,651	5.6%	19,136	2.3%	503,385	5.6%	482,978	5.4%
Total Employees (16+ Occupation Base)	**31,093**	**100.0%**	**3,765,426**	**100.0%**	**836,560**	**100.0%**	**8,941,275**	**100.0%**	**8,983,028**	**100.0%**

Source: ESRI; Compiled by NKF

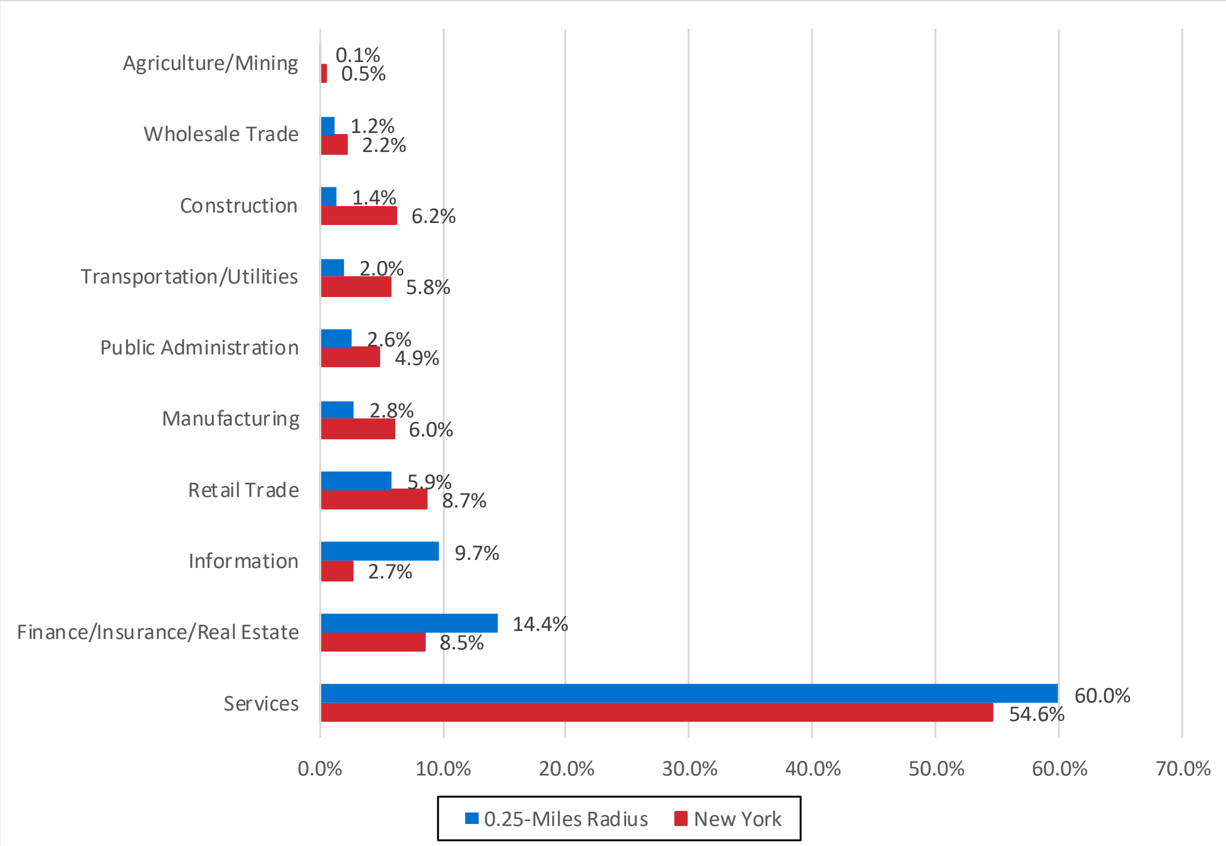
Current Employment by Industry Sector

Industry Sector	10003		New York City		New York County		New York-Newark-Jersey City, NY-NJ-PA MSA		New York	
Agriculture/Mining	20	0.1%	3,251	0.1%	462	0.1%	14,209	0.2%	47,176	0.5%
Construction	306	1.0%	208,043	5.5%	16,331	2.0%	564,567	6.3%	557,560	6.2%
Manufacturing	870	2.8%	124,270	3.3%	23,425	2.8%	500,371	5.6%	538,118	6.0%
Wholesale Trade	590	1.9%	74,638	2.0%	15,452	1.8%	246,559	2.8%	196,448	2.2%
Retail Trade	1,704	5.5%	295,921	7.9%	51,196	6.1%	769,729	8.6%	780,078	8.7%
Transportation/Utilities	355	1.1%	252,687	6.7%	22,103	2.6%	553,383	6.2%	516,871	5.8%
Information	2,831	9.1%	130,949	3.5%	48,055	5.7%	269,338	3.0%	239,649	2.7%
Finance/Insurance/Real Estate	6,451	20.7%	382,945	10.2%	145,602	17.4%	870,489	9.7%	761,756	8.5%
Services	17,545	56.4%	2,144,913	57.0%	492,449	58.9%	4,790,396	53.6%	4,909,178	54.6%
Public Administration	421	1.4%	147,807	3.9%	21,485	2.6%	362,234	4.1%	436,194	4.9%
Total Employees (16+ Occupation Base)	**31,093**	**100.0%**	**3,765,426**	**100.0%**	**836,560**	**100.0%**	**8,941,275**	**100.0%**	**8,983,028**	**100.0%**

Source: ESRI; Compiled by NKF

Comparing the industry sectors for the local market area (0.25-Miles Radius) to New York indicates the local market area is somewhat more heavily weighted toward the Information, Finance/Insurance/Real Estate, and Services sectors. By contrast, the industry employment totals for New York indicate somewhat higher proportions within the Construction, Transportation/Utilities, Manufacturing, Retail Trade, Public Administration, Wholesale Trade, and Agriculture/Mining sectors. The following graphic further illustrates this comparison.

Employment Comparison

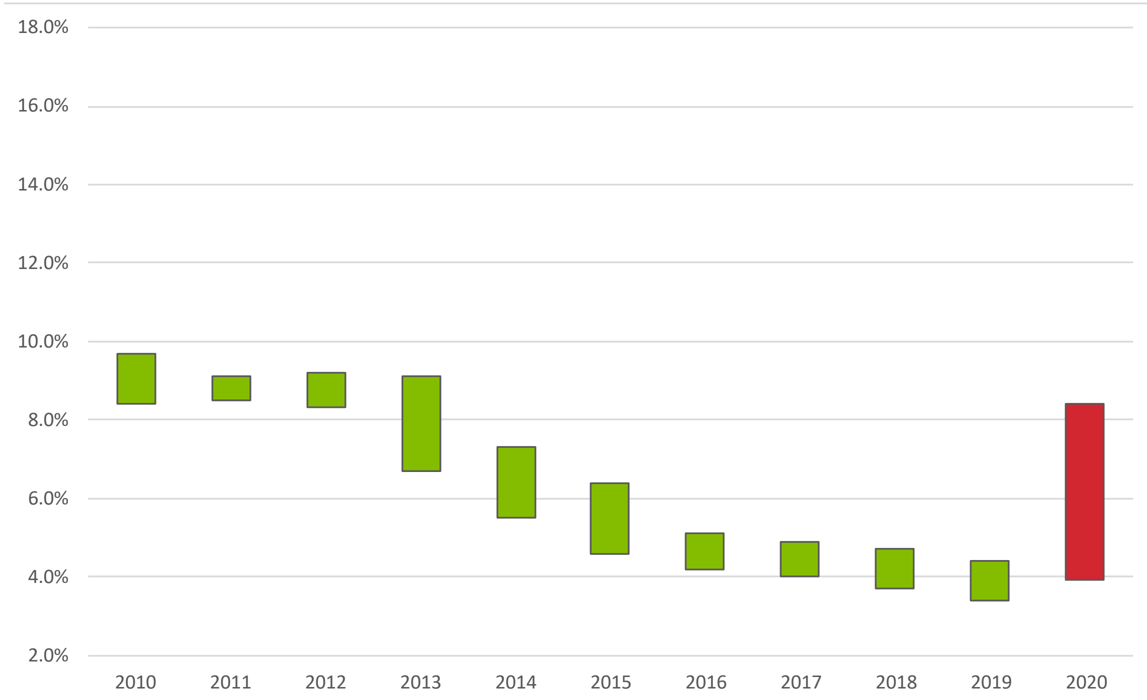


Source: ESRI; Compiled by NKF

Unemployment

The following table displays the historical unemployment data for the area derived from the US Department of Commerce, Bureau of Labor Statistics. The most recent reported unemployment rate for the New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area is 8.4% (December 2020).

Unemployment Rate: New York-Newark-Jersey City, NY-NJ-PA Metropolitan Statistical Area



Bars represent beginning to end range of unemployment rates in each year
Red bars denote increasing unemployment from beginning to end of year
Green bars are declining unemployment from beginning to end of year
Compiled by NKF

The following table illustrates the unemployment rates for the region on a monthly basis. While there has been some fluctuation over the past year, the year ended at the lowest rates of the year.

Unemployment Rates - New York Metropolitan Area												
2019												
	January	February	March	April	May	June	July	August	September	October	November	December
New York City	4.90%	4.60%	4.30%	3.70%	3.80%	3.90%	4.30%	4.20%	3.50%	3.70%	3.40%	3.10%
New York - Newark - Jersey City MSA	4.40%	4.20%	3.90%	3.20%	3.40%	3.50%	4.00%	3.90%	3.40%	3.50%	3.40%	3.40%
New York State	4.00%	4.00%	4.00%	4.00%	4.00%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%	3.90%
United States	4.00%	3.80%	3.80%	3.60%	3.60%	3.70%	3.70%	3.70%	3.50%	3.60%	3.50%	3.50%
2020												
	January	February	March	April	May	June	July	August	September	October	November	December
New York City	3.50%	3.40%	4.00%	14.70%	18.10%	20.40%	20.10%	16.20%	13.90%	13.00%	12.00%	12.00%
New York - Newark - Jersey City MSA	3.90%	3.70%	3.80%	15.20%	15.10%	17.00%	16.50%	13.00%	9.40%	9.40%	9.50%	6.30%
New York State	3.80%	3.70%	4.10%	15.30%	14.50%	15.60%	15.90%	12.50%	9.70%	9.20%	8.40%	8.70%
United States	3.60%	3.50%	4.40%	14.70%	13.30%	11.10%	10.20%	8.40%	7.90%	6.90%	6.70%	6.70%
2021												
	January	February										
New York City	12.60%	12.90%*										
New York - Newark - Jersey City MSA	6.10%	6.00%*										
New York State	8.80%	8.80%*										
United States	6.30%	6.20%*										

Source: US Bureau of Labor Statistics
*Denotes preliminary values

As a result of travel restrictions and work-from-home mandates established by the local and national administration, the unemployment rate throughout Manhattan has increased in excess of 20% since the onset of COVID-19. However, it should be noted that as certain restrictions have been lifted since the unemployment rate achieved 20% and has since declined to an estimated

12.6% as of January 2021. In the event that additional restrictions are implemented, this may have a short-term negative impact on unemployment for the region.

Major Employers

The following table lists a number of major employers with the New York City MSA as reported by Moody's. While not all-encompassing, this list provides further indication of the types of economic sectors that are drivers for the area.

Selected Major Employers: New York City Metro

Rank	Employer	Employees
1	Montefiore Health System	32,232
2	Mount Sinai Health System	32,074
3	JPMorgan Chase & Co.	29,000
4	Bank of America	27,000
5	New York-Presbyterian Healthcare System	23,709
6	NYU Langone Medical Center	23,491
7	Macy's Inc.	22,100
8	Verizon Communications	16,973
9	Columbia University	16,136
10	Citigroup Inc.	15,878
11	Morgan Stanley	15,380
12	Memorial Sloan-Kettering Cancer Center	14,908
13	City University of New York	13,777
14	PwC	11,429
15	Staffing Alternatives	11,382
16	Delta Air Lines Inc.	10,851
17	Time Warner Inc.	10,337
18	American Airlines	10,280
19	Archdiocese of New York	10,265
20	Rutgers, The State University of New Jersey	10,000

Source: Moody's Analytics Précis® US Metro

Analysis

Further economic analysis from Moody's is detailed as follows:

Covid-19

While New York City is poised to move in the right direction, pandemic fallout means a perilous road ahead. As the vaccine rollout speeds up, brighter days are coming for New York City's amenities and restaurants. But there are troubling signs as well, including one of the nation's slowest declines in COVID-19 cases, placing the metro division in the top 20 for new cases per capita as of late winter. Whether reflective of residents letting their guard down somewhat or the impact of new variants, this trend creates significant downside risk.

Even if improvement continues unabated, hurdles abound. Labor market and real-time demographic data underscore how poorly urban centers have performed relative to surrounding suburbs. With more flexible work arrangements here to stay in the years ahead, the daytime population will decline, especially in Manhattan. Meanwhile, tourism is poised to stage a partial rebound, but weakness will persist due to reduced business and international travel. This will leave the Big Apple overly reliant on domestic leisure travelers, who tend to spend less and not stay as long.

Tech

The silver lining for the short- and long-term outlook is the role of tech in New York City's economy. Mirroring a national trend, venture capital flows increased in 2020, signaling that the startup environment remains robust. And existing tech giants are doubling down on the city. Facebook has leased all of the office space in the large former post office across from Penn Station, while Google is expanding in the Meatpacking District and Hudson Square. Amazon is also adding office space and warehouses, signaling that its canceled second headquarters in Long Island City is water under the Queensboro Bridge. These investments are predicated on New York City's workforce remaining an advantage, and a recent survey from Moody's Analytics and Morning Consult that found young, educated urbanites more likely to live in cities signals that this should continue. With more banks moving jobs to cheaper regional hubs, strength in tech will prove pivotal.

Fiscal Challenges

The public sector will remain stuck in neutral following a strong finish in 2020. The pandemic decimated revenues for the five boroughs, with lost real estate deals alone costing over $1 billion, according to the Real Estate Board of New York. Taxable sales have plummeted as well, falling by more than a quarter from March to November of 2020 compared with the prior year, far more than any individual county in New York. Weakness extends to Westchester and Orange counties as well. While increased immunity to the virus will provide some relief, tax increases or budget cuts loom as a risk. The silver lining, however, is that the forecast has grown more optimistic as the American Rescue Plan is set to provide significant relief to state and local governments.

Recent Rezoning

In August 2017, the Department of City Planning approved a plan to rezone Midtown East. The rezoning would allow developers to build substantially larger buildings. The proposal identifies 16 sites where a total of 6.5 million square feet of new office space could be added by 2036.

The proposal would change air rights sales to also allow landowners to trade air rights across Midtown East, instead of exclusively to neighboring parcels. In order for developers to purchase air rights from landmarked buildings, they would first need to donate money towards public improvements.

Technology Sector Highlight

An important trend with Employment has been the recent growth in the technology field. Both major tech companies, as well as small startups have leased space throughout the city and demand highly educated workers in this field.

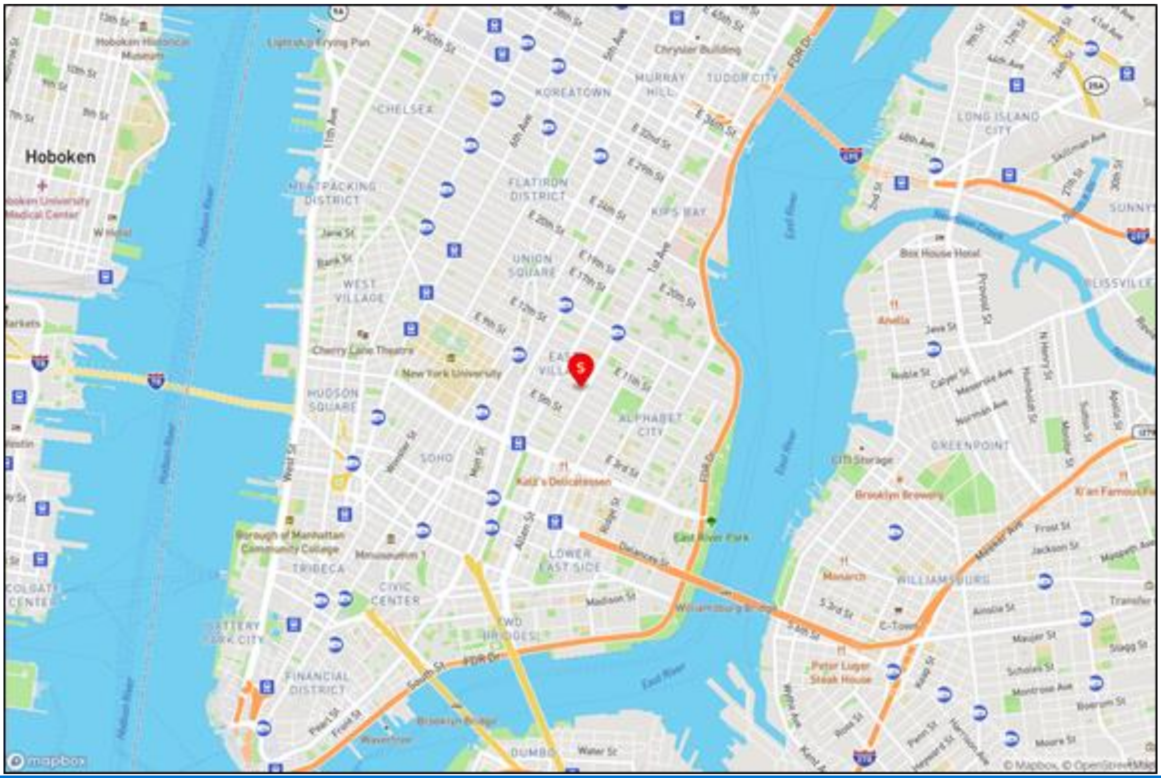
As a result, in 2016, Mayor Bill de Blasio released a plan to invest $100 million into the science field, particularly into education for construction along the East Side of Manhattan and Long Island City in Queens. This aspect of the plan is part of a $500 million plan, which aims to create 16,000 new jobs in the science field. This plan also includes certain rezoning and tax credits to facilitate the construction.

This plan helped Cornell University begin construction on its $2 billion, 2 million square foot Roosevelt Island tech campus. The first phase of the campus opened in September 2017. The second and third phases are projected to be completed by 2037. Upon completion in 2037, The Roosevelt Island Tech Campus is projected to house 2,000 students and 280 faculty members, while also adding 8,000 permanent jobs.

Conclusion

New York City Metro faces bumpiness in the months ahead before embarking on a steadier path to normalcy. As COVID-19 loosens its grip, consumer industries will benefit and the sizable investment of many tech firms will bear fruit. But increased remote work combined with high costs put a damper on the long-term outlook.

Neighborhood Analysis



Area Map

Boundaries

The subject is located in the East Village neighborhood of Manhattan. This area is part of the West Village/Downtown submarket as defined by REIS and is generally delineated as follows:

North	East 14th Street
South	East Houston Street
East	East River
West	Cooper Square, Fourth Avenue

Surrounding Area of Influence Trends

Description

The East Village is a neighborhood located in Manhattan, New York that is home to approximately 63,347 residents. The subject's surrounding area is viewed as urban with mainly multifamily housing.

Fundamental Real Estate Cycle

The surrounding area is considered to be within the expansion stage of its real estate cycle as demand for housing has increased.

New Development

- Renderings reveal "The Avant", a new condominium development at 533 East 12th Street in Manhattan's East Village. The property tops out at eight stories and houses 26 boutique residences. Brown Harris Stavens' Milano-Rambarran team is handling sales

and marketing. The residential collection includes studio, one-bedroom and two-bedroom accommodations.

- Permits have been filed for a six-story residential building at 285 East 163rd Street. The proposed 60-foot-tall development will yield 25,501 square feet, with 24,501 square feet designated for residential space. The building will have 36 residences, most likely rentals based on the average unit scope of 680 square feet. An estimation completion date has not been announced.
- Permits filed for 815 Broadway in Greenwich Village, Manhattan for an 11-story mixed use building. The proposed development will yield 33,521 square feet, with 28,059 square feet designated for residential space and 1,941 square feet for commercial space. An estimated completion date has not been announced.

Conformity

As an apartment building, the subject conforms to its surrounding uses as it is located in a largely residential neighborhood.

Access

Primary Access

FDR Drive

Major Thoroughfares

3rd Avenue, 2nd Avenue, 1st Avenue, Avenue A, and Avenue C

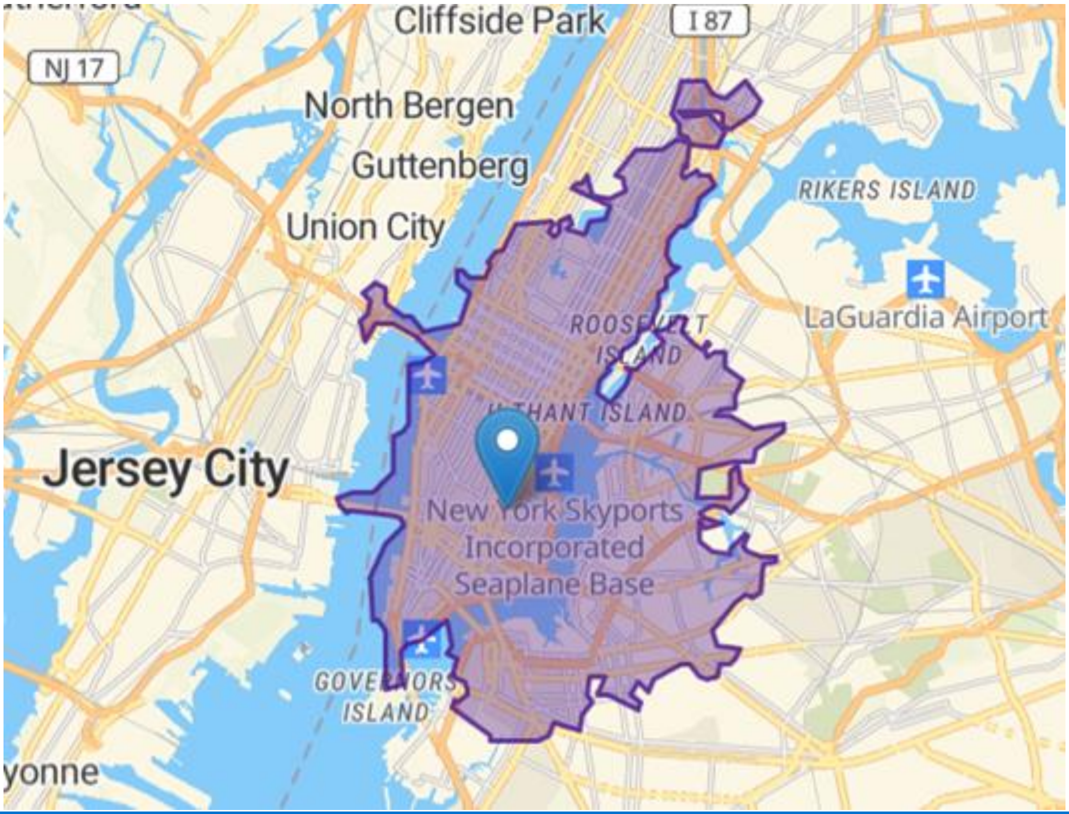
Transportation

Highway, MTA subway and bus system. The subject is four-blocks walk to the Astor Place subway station with service to the “4” and “6” trains.

Distance from Key Locations

The commute to Midtown Manhattan is approximately 20 minutes via public transportation. The drive to LaGuardia and JFK International Airport is approximately 20 and 35 minutes respectively.

The following illustrates the 10-minute drive time from the subject.

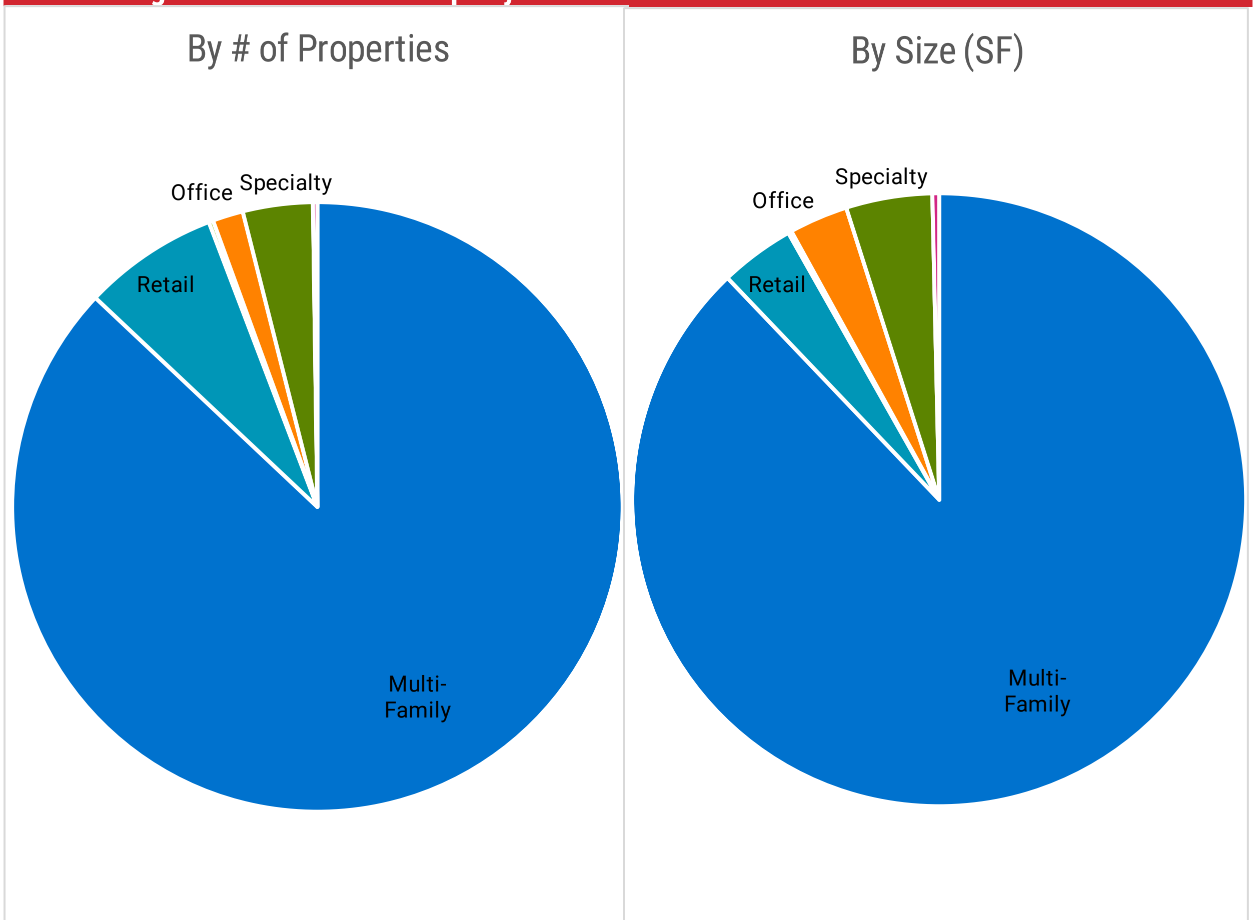


Drive Time Map

Land Use

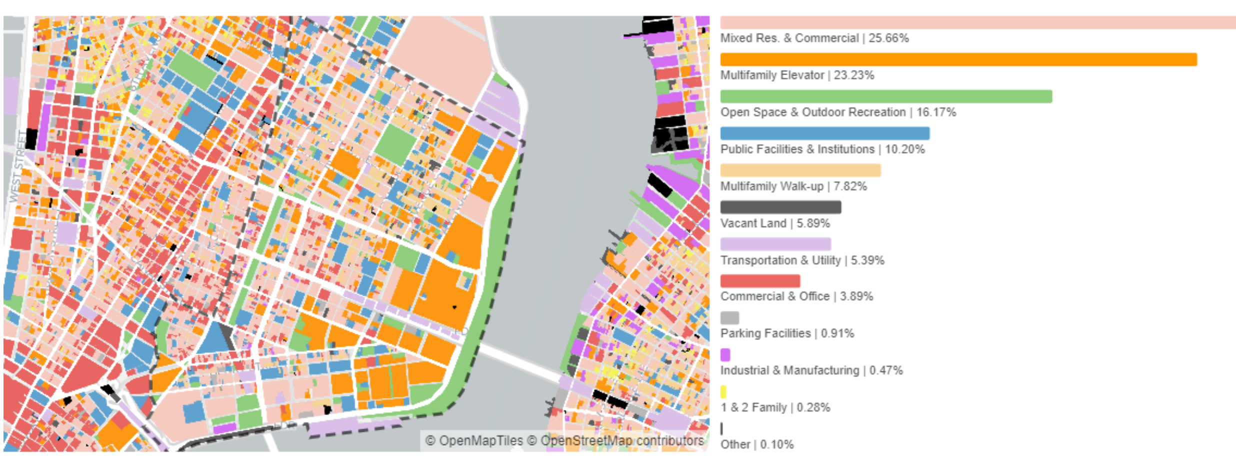
The following was developed from Costar data for the major property types in the surrounding 0.2 mile radius around the subject.

Surrounding Area Commercial Property Characteristics



Souce: Costar; Compiled by NKF

The land uses in Manhattan Community District 3 are illustrated in the following chart:



Source: City of New York

Within the immediate area of the subject, property uses include the following:

- Adjacent to the subject to the south is a 7,677 square foot mixed residential and commercial building that consists of 9 units. 8 are residential.
- Adjacent to the subject to the west is a 9,470 square foot multifamily walk-up building that consists of 20 units.
- Adjacent to the subject to the east is a 5,390 square foot mixed residential and commercial building that consists of 10 units. 8 are residential.

Demographics

A demographic summary for the defined area is illustrated as follows:

Demographic Analysis

	0.25-Miles Radius	0.5-Miles Radius	1-Mile Radius	10003	New York City	New York County	New York-Newark-Jersey City, NY-NJ-PA MSA	New York
Population								
2010 Total Population	23,321	83,072	256,243	54,589	8,175,107	1,585,873	18,897,109	19,378,102
2020 Total Population	23,879	85,378	261,940	55,510	8,502,614	1,650,033	19,560,212	19,825,692
2025 Total Population	24,148	86,278	264,526	55,842	8,627,187	1,676,284	19,803,082	19,899,059
Projected Annual Growth %	0.2%	0.2%	0.2%	0.1%	0.3%	0.3%	0.2%	0.1%
Households								
2010 Total Households	13,530	42,846	128,481	27,700	3,109,775	763,846	6,918,950	7,317,755
2020 Total Households	13,944	44,220	131,234	28,158	3,240,290	797,526	7,164,436	7,522,434
2025 Total Households	14,132	44,795	132,576	28,356	3,289,804	811,292	7,254,621	7,558,777
Projected Annual Growth %	0.3%	0.3%	0.2%	0.1%	0.3%	0.3%	0.3%	0.1%
Income								
2020 Median Household Income	$77,152	$85,810	$90,462	$112,580	$65,069	$88,043	$80,424	$68,828
2020 Average Household Income	$110,627	$129,698	$142,419	$170,714	$102,340	$146,135	$118,147	$102,101
2020 Per Capita Income	$63,195	$67,004	$71,676	$87,214	$39,126	$70,907	$43,369	$38,890
Housing								
2020 Owner Occupied Housing Units	10.6%	17.1%	21.1%	29.1%	28.8%	21.4%	45.6%	46.5%
2020 Renter Occupied Housing Units	82.5%	75.3%	70.2%	61.1%	62.4%	67.6%	45.5%	42.6%
2020 Median Home Value	$1,014,977	$1,076,829	$1,106,607	$1,302,951	$642,272	$1,206,567	$472,442	$332,461
Median Year Structure Built	1940	1941	1945	1940	1949	1950	1958	1957
Miscellaneous Data Items								
2020 Bachelor's Degree	46.5%	43.2%	37.6%	43.0%	22.9%	32.3%	24.3%	21.2%
2020 Grad/Professional Degree	29.4%	29.5%	30.1%	39.4%	16.7%	31.0%	17.8%	16.8%
2020 College Graduate %	75.9%	72.7%	67.7%	82.3%	39.7%	63.3%	42.1%	38.0%
2020 Average Household Size	1.59	1.73	1.86	1.63	2.57	1.98	2.68	2.56
2020 Median Age	33.6	34.0	36.6	33.6	37.1	38.2	39.0	39.3

Source: ESRI; Compiled by NKF

Demand Generators

Manhattan's East Village is known for its diverse community, vibrant nightlife and art scene. A popular area within the neighborhood is St Marks Place, between Third Avenue and Avenue A. St Marks Place is considered a main cultural street in the East Village; it runs from Astor Place to Tompkins Square Park and contains a variety of eateries and shops. Notable buildings in the area include the St Marks Hotel, Theatre 80 and William Barnacle Tavern. The East Village is also home to many historical sites including The Merchant's House Museum, St. Mark's Church in-the-Bowery and the New York Marble Cemetery, the oldest nonsectarian burial ground in the city.

The East Village contains several smaller communities within its boundaries. Alphabet City, bordered by Houston Street to the south and East 14th Street to the north, comprises nearly two-thirds of the East Village. Landmarks within Alphabet City include Tompkins Square Park and the Nuyorican Poets Café. Bowery is a street and neighborhood that runs from Chatham Square to 4th Street and has become a boulevard of new luxury condominiums in the East Village. It is also the location of the Bowery Poetry Club, contributing to the neighborhood's reputation as a place for artistic pursuit.

Conclusion

Prior to the COVID-19 pandemic, the neighborhood was in the expansion stage of its life cycle. Given the COVID-19 crisis, there is some uncertainty that lies ahead in terms of multifamily growth trends for the neighborhood.

Multifamily Market Analysis

Classification

According to REIS, Inc., the subject is in the West Village/Downtown submarket of the New York Metro market. The property is considered a Mixed-Use Walk-Up building in this market.

Demographic Analysis

Population and Household Formation

Demographic Growth Rate Analyis

	0.25-Miles Radius	0.5-Miles Radius	1-Mile Radius	10003	New York City	New York County	New York-Newark-Jersey City, NY-NJ-PA MSA	New York
Population								
2010 Total Population	23,321	83,072	256,243	54,589	8,175,107	1,585,873	18,897,109	19,378,102
2020 Total Population	23,879	85,378	261,940	55,510	8,502,614	1,650,033	19,560,212	19,825,692
2025 Total Population	24,148	86,278	264,526	55,842	8,627,187	1,676,284	19,803,082	19,899,059
Annual Growth - Past Period	0.2%	0.3%	0.2%	0.2%	0.4%	0.4%	0.3%	0.2%
Annual Growth - Future Period	0.2%	0.2%	0.2%	0.1%	0.3%	0.3%	0.2%	0.1%
Households								
2010 Total Households	13,530	42,846	128,481	27,700	3,109,775	763,846	6,918,950	7,317,755
2020 Total Households	13,944	44,220	131,234	28,158	3,240,290	797,526	7,164,436	7,522,434
2025 Total Households	14,132	44,795	132,576	28,356	3,289,804	811,292	7,254,621	7,558,777
Annual Growth - Past Period	0.3%	0.3%	0.2%	0.2%	0.4%	0.4%	0.3%	0.3%
Annual Growth - Future Period	0.3%	0.3%	0.2%	0.1%	0.3%	0.3%	0.3%	0.1%

Source: ESRI; Compiled by NKF

- The subject's market, submarket, and immediate area have been growing in terms of population and households and is expected to continue to grow through 2025 at a lower rate.

Income Distributions

Household Income Analysis

2020	0.25-Miles Radius		0.5-Miles Radius		1-Mile Radius		10003		New York City		New York County		New York-Newark-Jersey City, NY-NJ-PA MSA		New York	
Household Income <$15,000	1,946	14.0%	6,201	14.0%	17,654	13.5%	2,434	8.6%	459,374	14.2%	104,465	13.1%	737,479	10.3%	859,467	11.4%
Household Income $15,000-$24,999	1,249	9.0%	3,441	7.8%	10,220	7.8%	1,676	6.0%	288,465	8.9%	60,832	7.6%	533,867	7.5%	636,361	8.5%
Household Income $25,000-$34,999	680	4.9%	1,989	4.5%	5,785	4.4%	925	3.3%	240,738	7.4%	40,123	5.0%	474,130	6.6%	570,107	7.6%
Household Income $35,000-$49,999	1,057	7.6%	2,939	6.6%	9,340	7.1%	1,712	6.1%	320,139	9.9%	59,477	7.5%	640,033	8.9%	775,009	10.3%
Household Income $50,000-$74,999	1,860	13.3%	5,034	11.4%	13,897	10.6%	2,836	10.1%	457,917	14.1%	89,338	11.2%	979,208	13.7%	1,134,992	15.1%
Household Income $75,000-$99,999	1,625	11.7%	5,044	11.4%	12,957	9.9%	2,984	10.6%	360,205	11.1%	76,675	9.6%	819,047	11.4%	898,856	11.9%
Household Income $100,000-$149,999	2,373	17.0%	7,187	16.3%	20,266	15.4%	4,594	16.3%	475,305	14.7%	113,428	14.2%	1,193,061	16.7%	1,195,839	15.9%
Household Income $150,000-$199,999	1,256	9.0%	4,232	9.6%	12,088	9.2%	3,196	11.4%	251,733	7.8%	66,153	8.3%	709,992	9.9%	620,167	8.2%
Household Income $200,000+	1,896	13.6%	8,151	18.4%	29,027	22.1%	7,801	27.7%	386,337	11.9%	187,027	23.5%	1,077,484	15.0%	831,463	11.1%
Median Household Income	$77,152		$85,810		$90,462		$112,580		$65,069		$88,043		$80,424		$68,828	
Average Household Income	$110,627		$129,698		$142,419		$170,714		$102,340		$146,135		$118,147		$102,101	
Per Capita Income	$63,195		$67,004		$71,676		$87,214		$39,126		$70,907		$43,369		$38,890	

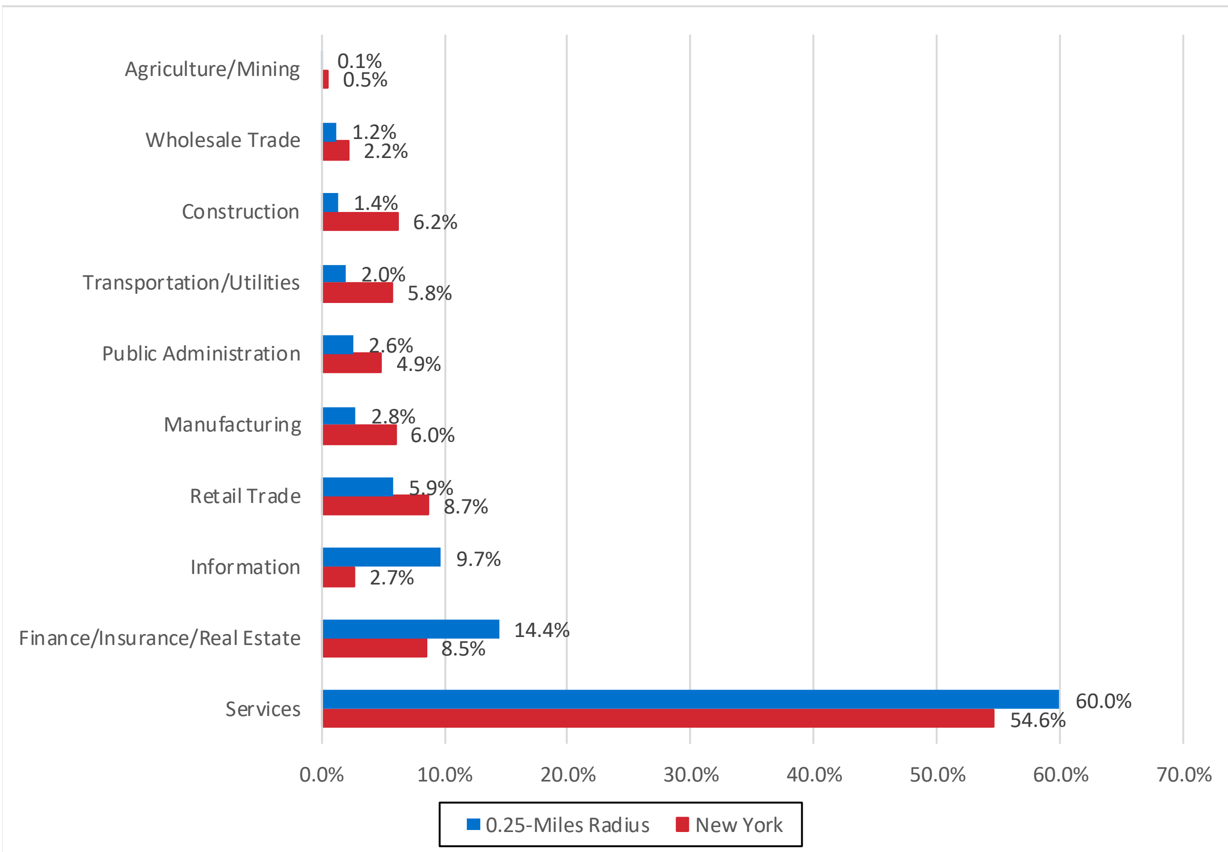
Source: ESRI; Compiled by NKF

- Median household income within a 1-mile radius of the subject is greater than that of New York County and the MSA as a whole.

Employment

The following graph was presented previously but is also given below given its relevance to Multifamily demand. Comparing the industry sectors for the local market area (0.25-Miles Radius) to New York indicates the local market area is somewhat more heavily weighted toward the Information, Finance/Insurance/Real Estate, and Services sectors. The following graphic further illustrates this comparison.

Employment Comparison



Source: ESRI; Compiled by NKF

Demographic Analysis Conclusion

- Population and household growth in the subject's area continue to increase slightly, increasing demand for properties like the subject.
- The increase in unemployment due to the COVID-19 will have a negative impact on income and decrease demand for the subject's apartments in the short-term.

Multifamily Market Overview

The New York City Residential market is the largest housing market in the United States. Consisting mostly of rental units governed by rent stabilization and rent control regulations at state and city

levels, the market is composed of a complex and diverse group of properties. These properties range from single family townhouses, low rise walk-up buildings, and luxury high rise towers, to converted office buildings for multi-tenant use. Tax abatement and incentive plans as well as zoning laws and designations of historic preservation districts play a large role in shaping New York City's residential housing development.

Rent Regulation in New York City

Rent control regulations came into effect during World War II after being introduced by the federal government. New York state continued this legislation in 1947 in order to temporarily prevent dramatically increasing rents after the war. In 1969 these laws were replaced by rent stabilization regulations. Since then, the regulations have been revised several times.

Rent control and rent stabilization guidelines determine the increase in rent that can be charged for a vacant apartment and for a lease that is renewed by the same tenant. Additionally, a tenant of a rent controlled apartment cannot be evicted unless under extraordinary circumstances. These laws generally affect apartment buildings with more than six apartments and buildings which receive City sponsored real estate tax abatements and/or tax exemptions.

Approximately 1.05 million or 48.4 percent of the rental apartments in New York City are subject to rent control or rent stabilization. This is a decrease from the 70 percent subject to these restrictions during the early 1990's.

On the following page is a chart depicting the annual rent increase guidelines since 1985.

Rent Increase Guidelines Established by the New York State Rent Stabilization Law

Year	1 Year Lease	2 Year Lease	Vacancy Allowance (1 Year Lease)
2020	0.00%	0% Yr. 1, 1% Yr. 2	N/A
2019	1.50%	2.50%	N/A
2018	1.50%	2.50%	19.00%
2017	1.25%	2.00%	19.25%
2016	0.00%	2.00%	18.00%
2015	0.00%	2.00%	18.00%
2014	1.00%	2.75%	18.25%
2013	4.00%	7.75%	16.25%
2012	2.00%	4.00%	18.00%
2011	3.75%	7.25%	16.50%
2010	2.25%	4.50%	17.75%
2009	3.00%	6.00%	17.00%
2008	4.50%	8.50%	16.00%
2007	3.00%	5.75%	17.25%
2006	4.25%	7.25%	17.25%
2005	2.75%	5.50%	17.25%
2004	3.50%	6.50%	17.00%
2003	4.50%	7.50%	17.00%
2002	2.00%	4.00%	18.00%
2001	4.00%	6.00%	18.00%
2000	4.00%	6.00%	18.00%
1999	2.00%	4.00%	18.00%
1998	2.00%	4.00%	18.00%
1997	2.00%	4.00%	18.00%
1996	5.00%	7.00%	9.00%
1995	2.00%	4.00%	5.00%
1994	2.00%	4.00%	5.00%
1993	3.00%	5.00%	5.00%
1992	3.00%	5.00%	5.00%
1991	4.00%	6.50%	5.00%
1990	4.50%	7.00%	5.00%
1989	6.00%	9.00%	12.00%
1988	6.00%	9.00%	12.00%
1987	3.00%	6.50%	10.00%
1986	6.00%	9.00%	7.50%
1985	4.00%	6.50%	7.50%
Average Increase	2.98%	5.31%	13.99%

On June 25, 2019, the NYC Rent Guidelines Board adopted renewal lease guidelines for rent stabilized apartments, lofts and hotels effective October 1, 2019 through September 30, 2020. One-

year lease rent increases are 1.5% and two-year lease increases are 2.5%. The owners are permitted but not required to raise the rent pursuant to the regulation, and are required to offer a lease renewal at the expiration of the term of the lease. In addition to regulating rent increases, the Rent Guidelines Board regulates services and safety issues in the operation of regulated apartments.

On June 17, 2020, the NYC Rent Guidelines Board adopted renewal lease guidelines for rent stabilized apartments, lofts and hotels effective October 1, 2020 through September 30, 2021. One-year leases have a rent freeze, while two-year leases have a rent freeze for the first year and an increase of 1.0% for the second lease year. The owners are permitted but not required to raise the rent pursuant to the regulation, and are required to offer a lease renewal at the expiration of the term of the lease. In addition to regulating rent increases, the Rent Guidelines Board regulates services and safety issues in the operation of regulated apartments.

Housing Stability and Tenant Protection Act 2019 (HSTPA)

On June 14, 2019, the new rent bill was passed by the legislations. The bill touches upon the following issues and changes:

	Old	New
Preferential Rent	Charge preferential rent tenant, legal rent upon renewal of the lease	Preferential rents cannot be raised to legal rent at renewal
Major Capital Improvement (MCI)	Annual MCI cap based on 6.0% of the rent regulated rents, amortized at 96 months for buildings with 35 units or less and 108 months for building with more than 35 units. The increase does not expire.	Annual MCI cap based on 2.0% of the rent regulated rents, amortized at 144 months for buildings with 35 units or less and 150 months for buildings with more than 35 units. The MCI increase expires in 30 years
Vacancy Allowance	Vacancy bonus applied to the legal rent upon tenant's vacancy of the unit, which was 19.0% in 2018	Eliminate vacancy bonus, and the landlord may charge the full legal rent
Individual Apartment Improvements (IAIs)	Permanent contribution (1/40 for buildings with 35 units or less and 1/60 for buildings with more than 35 units) of the in-unit renovation cost to the legal rents	Renovation expense capped at $15,000 as well rent change ratio to 1/168. This equates to a maximum possible rent increase of $89.28 per month. The rent increase, similar to MCI, expires in 30 years.
Deregulation	Deregulate units once legal rents and annual income surpassed the threshold, which was $2,774.76 per month and $200,000, respectively	Eliminate vacancy deregulation

The result of the new rent law removes any future value add transactions of old tenement buildings. Accordingly, the cap rate will reflect static cash flow instead of rent spikes or other increases through capital improvement.

We believe outer boroughs such as Bronx will be less impacted by this bill. Some of the historical legal rents in this area have surpassed market rents. Hence, many landlords offer preferential rents, which is the going market rent. However, buildings in Manhattan or prime locations in Queens and Brooklyn that are under rent regulation, including "market rent" buildings receiving 421a tax abatement may be handicapped for the duration of the abatement.

As an outcome of this event, we believe many building owners will find solace in J-51 Mod Rehab program and try to receive tax benefits. This program requires all units within the building that's receiving the benefit to remain rent stabilized.

For properties receiving 421-a tax abatement, under the previous regulations, all units must technically remain rent stabilized. Under the old law, due to the vacancy bonus, legal rents typically outpaced the market rent (which would be categorized as preferential rent) and with no limitation to the preferential rents at renewals, landlords were able to increase rents at market levels. However, the new bill restricts landlords from increasing beyond the rent regulation limitation. Such limitation will end upon expiration of the 421-a tax abatement and vacancy of the rent regulated tenancy. At which point, the units will be deregulated.

For properties receiving 421-a tax exemption, under the new regulation, we believe the impact is very minimal. As a matter of fact, the increase in annual renewal rate may positively impact the cash flow during the duration of the exemption if renewal rates increase over time. Furthermore, upon expiration of the exemption and vacancy of the rent regulated tenant, the units will be deregulated.

Overall, the full impact of the new bill will not be completely understood until we witness multifamily transactions. However, many landlords and experts are saying an average increase of 50 to 100 basis points in capitalization rates are expected. We believe value add properties that recently traded will have the largest impact in value and may have to restructure their capital improvement plans and budget.

J-51 Program

J-51 tax abatements and exemptions are available for multifamily properties that undergo major rehabilitation projects, such as a gut renovation, asbestos abatement, or boiler replacement. Apartments within properties receiving such benefits are considered rent stabilized for the duration of the benefits, which can be up to 34 years. The primary purpose of the J-51 Program is to encourage owners of older buildings to maintain them. The program was originally enacted in the 1950s to assist property owners in affording required installation of central heating, hot water, or plumbing. Owners criticized the city by claiming that the existing regulated rental income received was not enough to pay for these improvements. The J-51 Program took the financial burden off these property owners.

The maximum total abatement available under the current program is determined by the renovation cost deemed eligible for benefits multiplied by a percentage dictated by the Department of Housing Preservation and Development. The maximum total exemption under the current program is calculated by subtracting the building assessed value on the construction commencement date

from the building assessed value two years after the benefit start year. All benefits are subject to a phase-out of 20% per year during the last five years of the benefit period. In the case of an abatement, the property owner sees the benefit amount deducted directly from the tax burden. In the case of an exemption, the owner sees the assessed value on which the total taxes are based reduced. Approximately 75% of the upgrade cost is recoverable through the current program.

80/20 Program

The Housing Finance Agency (HFA) offers the 80/20 Housing Program, which provides tax-exempt financing to developments in which 20% of apartments are reserved for households containing incomes at 50% of the local Area Median Income (AMI). Another option to receive this financing is to keep 25% of apartments for households containing incomes of 60% of the AMI. These units must remain at the given income levels for a set period agreed upon between the HFA and the owner.

421-a Program

The 421-a tax exemption program provides tax incentives to developers to encourage the development of affordable housing on underutilized land. Qualifying properties are required to set aside a percentage of units deemed affordable for a period lasting from 10 to 25 years. In exchange, the developer receives a full tax exemption for a number of years followed by a phase-out period until full taxes become due. Affordability is based on a percentage of AMI that varies by precise location. The 421-a program began in 1971 and was set to expire in 2016, but was renewed by Governor Andrew Cuomo to last until 2022. Slight changes to the new program, also known as Affordable New York, include a wage requirement for construction workers on particular developments and a maximum benefit term increase to 35 years for such developments.

A new 421-a tax exemption program has been established for any project that commenced construction between January 1, 2016 and June 15, 2019 and are completed before June 15, 2023. Projects that began construction on or before December 31, 2015 may also opt into the program if they have not yet received 421-a benefits. The new program will not come into effect until representatives of residential real estate developers and construction labor unions sign a memorandum of understanding regarding wages of construction workers performing work on 421-a projects that contain more than 15 units.

Only one application is required to be filed within one year after completion, and construction benefits would be retroactive. Projects that do not receive the enhanced 35-year benefit will need to comply with the affordability requirements and other requirements for 35 years. Projects that receive the enhanced 35-year benefit will have a 40-year compliance period. Any market units will be subject to rent stabilization unless, in the absence of 421-a benefits, the owner is entitled to remove the unit from rent stabilization upon vacancy by reason of the monthly rent exceeding any limit established.

The following information is detailed in the NYC's Housing Preservation & Development website.

Rental Projects

Eligible rental projects that are not entitled to the enhanced 35-year benefit would receive:

- A 100% exemption for a construction period of up to three years; and
- A 35-year post construction tax exemption (a 100% exemption during the first 25 years and an exemption equal to the percentage of affordable units during the last 10 years).

These rental projects would be required to choose one of three affordability options and comply with it for the entire benefit period.

Option A

- 25% of the units must be affordable: at least 10% at up to 40% of AMI, 10% at up to 60% of AMI, and 5% at up to 130% of AMI; and
- the project cannot receive any government subsidies other than tax-exempt bond proceeds and 4% tax credits.

Option B

- 30% of the units must be affordable: at least 10% at up to 70% AMI and 20% at up to 130% of AMI.

Option C

- at least 30% of the units must be affordable at up to 130% of AMI;
- the project cannot receive any government subsidies; and
- the project cannot be located south of 96th street in Manhattan or in any other area established by local law.

Eligible rental projects with 300 or more dwelling units that either are located in one of the enhanced affordability areas (portions of Manhattan, Queens and Brooklyn) or elect to comply with the minimum average hourly wage requirements for construction workers, would receive:

- a 100% exemption for a construction period of up to three years; and
- a 35-year post construction 100% exemption.

These rental projects would be required to choose one of three affordability options and comply with it through the extended restriction period (40 years from completion):

Option D

- Applicable only to homeownership projects outside of Manhattan and not exceeding 35 units.

- 100% of the units shall have an average assessed value not to exceed $65,000 upon the first assessment following the completion date.

Option E

- 25% of the units must be affordable: at least 10% at up to 40% of AMI, 10% at up to 60% of AMI, and 5% at up to 120% of AMI; and
- the project cannot receive any government subsidies other than tax-exempt bond proceeds and 4% tax credits.

Option F

- 30% of the units must be affordable: at least 10% at up to 70% AMI and 20% at up to 130% of AMI.

Option G

- at least 30% of the units must be affordable at up to 130% of AMI;
- the project cannot receive any government subsidies; and
- the project cannot be located in the Manhattan Enhanced Affordability Area.
- Projects that began construction on or before December 31, 2015 may also opt into the program if they have not yet received 421-a benefits.

Homeownership Projects

Eligible ownership projects would receive:

- a 100% exemption for a construction period of up to three years; and
- a 20-year post-construction tax exemption (a 100% exemption during the first 14 years and a 25% exemption during the next 6 years), subject to an assessed valuation cap of $65,000 per dwelling unit.

Homeownership projects would have to meet the following eligibility requirements:

- upon the first assessment following completion, the project must have an average assessed value not exceeding $65,000 per unit;
- each purchaser during the benefit period must agree in writing to maintain the unit as his or her primary residence for at least the first 5 years of ownership; and
- the project cannot be located in Manhattan or contain more than 35 units.

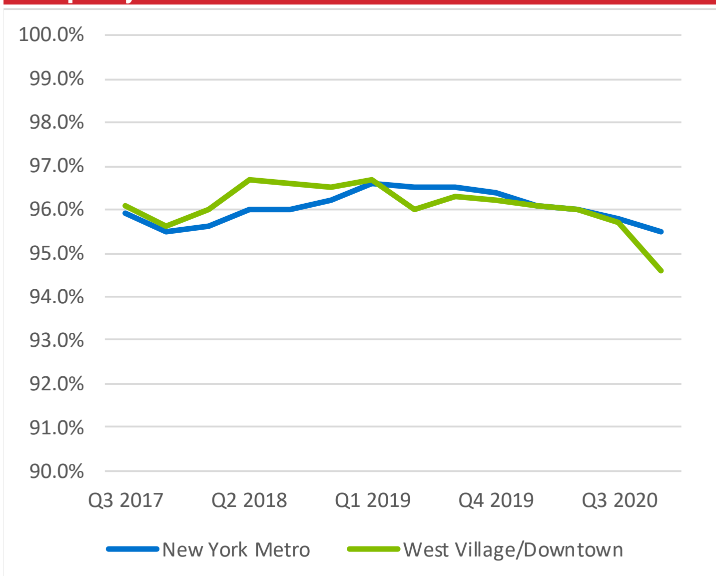
Other Noteworthy Provisions of the New Program

- All rental dwelling units in an eligible multiple dwelling must share the same common entrances and common areas as the market rate units in such eligible multiple dwelling and should not be isolated to a specific floor area of an eligible multiple dwelling.
- The building service employees prevailing wage requirements are enforced by the New York City Comptroller and provide that all building service employees employed by an applicant at an eligible site must receive the applicable prevailing wage for the entire restriction period (35 or 40 years, as applicable) unless:
  - the eligible multiple dwelling contains less than thirty dwelling units; or
  - all of the dwelling units in the eligible multiple dwelling are affordable housing units and not less than 50% of such affordable units are affordable to and restricted to occupancy by persons or families at or below 125% of Area Median Income.
- If the land on which an eligible site is located contained any dwelling units three years prior to the project's commencement date, such eligible site must contain at least one affordable housing unit for each dwelling unit that existed on such date and was thereafter demolished, removed or reconfigured.
- On or before May 31, 2021, the Commissioner of the Division of Housing and Community Renewal will issue a report examining the economic impact of the Affordable New York Housing Program.

Multifamily Market Overview

The following discussion outlines overall market performance in the surrounding Multifamily market. Presented first are market statistics of the New York Metro area and the subject West Village/Downtown submarket overall. The analysis is then further refined to focus on demand for the subject and the properties considered to be primary competition.

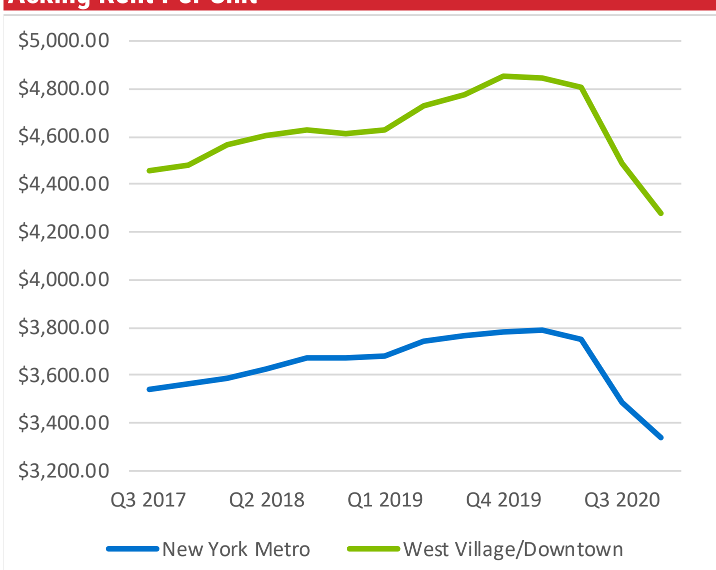
Occupancy Rate



Period	New York Metro	West Village/Downtown
Q3 2017	95.9%	96.1%
Q4 2017	95.5%	95.6%
Q1 2018	95.6%	96.0%
Q2 2018	96.0%	96.7%
Q3 2018	96.0%	96.6%
Q4 2018	96.2%	96.5%
Q1 2019	96.6%	96.7%
Q2 2019	96.5%	96.0%
Q3 2019	96.5%	96.3%
Q4 2019	96.4%	96.2%
Q1 2020	96.1%	96.1%
Q2 2020	96.0%	96.0%
Q3 2020	95.8%	95.7%
Q4 2020	95.5%	94.6%

Source: Reis; Compiled by NKF Valuation & Advisory

Asking Rent Per Unit



Period	New York Metro	West Village/Downtown
Q3 2017	$3,540	$4,456
Q4 2017	$3,560	$4,481
Q1 2018	$3,584	$4,564
Q2 2018	$3,628	$4,607
Q3 2018	$3,671	$4,625
Q4 2018	$3,674	$4,610
Q1 2019	$3,683	$4,631
Q2 2019	$3,740	$4,731
Q3 2019	$3,767	$4,777
Q4 2019	$3,785	$4,852
Q1 2020	$3,788	$4,844
Q2 2020	$3,747	$4,804
Q3 2020	$3,489	$4,491
Q4 2020	$3,339	$4,278

Source: Reis; Compiled by NKF Valuation & Advisory

Multifamily Market Statistics						
Trailing Four Quarters Ended Q4 2020						
Market / Submarket	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent/Unit	Effective Rent/Unit
New York Metro	227,246	3,012	4.50%	850	$3,339	$3,170
West Village/Downtown	27,484	113	5.40%	-333	$4,278	$4,029
2021 (Forecast)	***Reis Base Case***					
Market / Submarket	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent/Unit	Effective Rent/Unit
New York Metro	241,937	15,601	5.7%	11,030	$3,103	$2,949
West Village/Downtown	28,130	646	5.8%	486	$4,043	$3,811

Source: Reis; Compiled by NKF Valuation & Advisory

- The average occupancy rate for the subject's submarket is less than the overall market area.
- The average rental rate for the subject's submarket is greater than the overall New York City market. The subject submarket is considered an upper tier submarket as compared to the other submarkets in the overall New York City area due the easy access to major employment centers in Midtown Manhattan.

Market and Submarket Trends

Multifamily Market Trends	New York Metro					West Village/Downtown				
	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent/Unit	Inventory (Unit)	Completions (Unit)	Vacancy (%)	Net Absorption (Unit)	Asking Rent/Unit
Q4 2018	218,306	2,752	3.8%	3,086	$3,674	26,640	82	3.5%	42	$4,610
Q1 2019	219,115	809	3.4%	1,790	$3,683	26,737	97	3.3%	147	$4,631
Q2 2019	220,932	1,817	3.5%	1,418	$3,740	27,278	541	4.0%	343	$4,731
Q3 2019	222,967	2,035	3.5%	2,092	$3,767	27,278	0	3.7%	71	$4,777
Q4 2019	224,234	1,267	3.6%	925	$3,785	27,371	93	3.8%	62	$4,852
Q1 2020	225,845	1,611	3.9%	952	$3,788	27,484	113	3.9%	81	$4,844
Q2 2020	226,271	426	4.0%	148	$3,747	27,484	0	4.0%	-25	$4,804
Q3 2020	227,041	770	4.2%	256	$3,489	27,484	0	4.3%	-97	$4,491
Q4 2020	227,246	205	4.5%	-506	$3,339	27,484	0	5.4%	-292	$4,278
2021 *	241,937	15,601	5.7%	11,030	$3,103	28,130	646	5.8%	486	$4,043
2022 *	249,539	7,602	5.1%	8,796	$3,153	28,615	485	4.9%	743	$4,115
2023 *	252,534	2,995	4.6%	4,101	$3,241	28,979	364	4.7%	387	$4,228
2024 *	255,444	2,910	3.9%	4,610	$3,350	29,345	366	4.0%	569	$4,386
2025 *	258,683	3,239	3.7%	3,595	$3,469	29,711	366	3.5%	488	$4,586
2026 *	261,716	3,033	3.3%	3,793	$3,603	30,092	381	2.9%	536	$4,826
2027 *	264,357	2,641	3.2%	2,981	$3,755	30,425	333	2.9%	348	$5,111
2028 *	266,884	2,527	3.0%	2,867	$3,923	30,743	318	2.8%	315	$5,414
2029 *	269,685	2,801	2.9%	3,123	$4,106	31,096	353	3.1%	274	$5,721
2030 *	272,342	2,657	2.8%	2,877	$4,307	31,431	335	3.2%	294	$6,033

** Reis Base Case Forecast*

Source: Reis; Compiled by NKF Valuation & Advisory

- The overall market and submarket areas have been decreasing with respect to occupancy over the past year. The COVID-19 pandemic has caused people to leave the city and relocate into the suburbs.
- REIS, Inc., projects a decline in rents over the next two years, as the market recovers from the pandemic. Nonetheless, multifamily demand within the New York metro market is

considered amongst the strongest in the country, and rental growth trends should return before that of other metro areas.

Supply & Demand

Demand Generators

- West Village/Downtown is among the top performing multifamily submarkets of the New York City area.
- Proximity to major employment centers in Midtown Manhattan maintains demand in the surrounding area.

Construction Versus Absorption

Construction/Absorption Change												
Market / Submarket	Full Calendar Years History									Forecast		
	Prior Full Year History			Prior Three Year History			Prior Five Year History			Five Year Forecast		
	Unit Built	Unit Absorbed	Const. / Abs. Ratio	Unit Built	Unit Absorbed	Const. / Abs. Ratio	Unit Built	Unit Absorbed	Const. / Abs. Ratio	Unit Built	Unit Absorbed	Const. / Abs. Ratio
New York Metro	3,012	850	3.5	20,217	19,321	1.0	42,387	37,185	1.1	32,347	32,132	1.0
West Village/Downtown	113	-333	-0.3	1,033	698	1.5	2,710	2,207	1.2	2,227	2,673	0.8

Source: Reis; Compiled by NKF Valuation & Advisory

- Construction in the subject's submarket has outpaced absorption over the past five years.
- Reis forecasts that absorption will outpace the construction over the next five years within the submarket.

Supply & Demand Conclusion

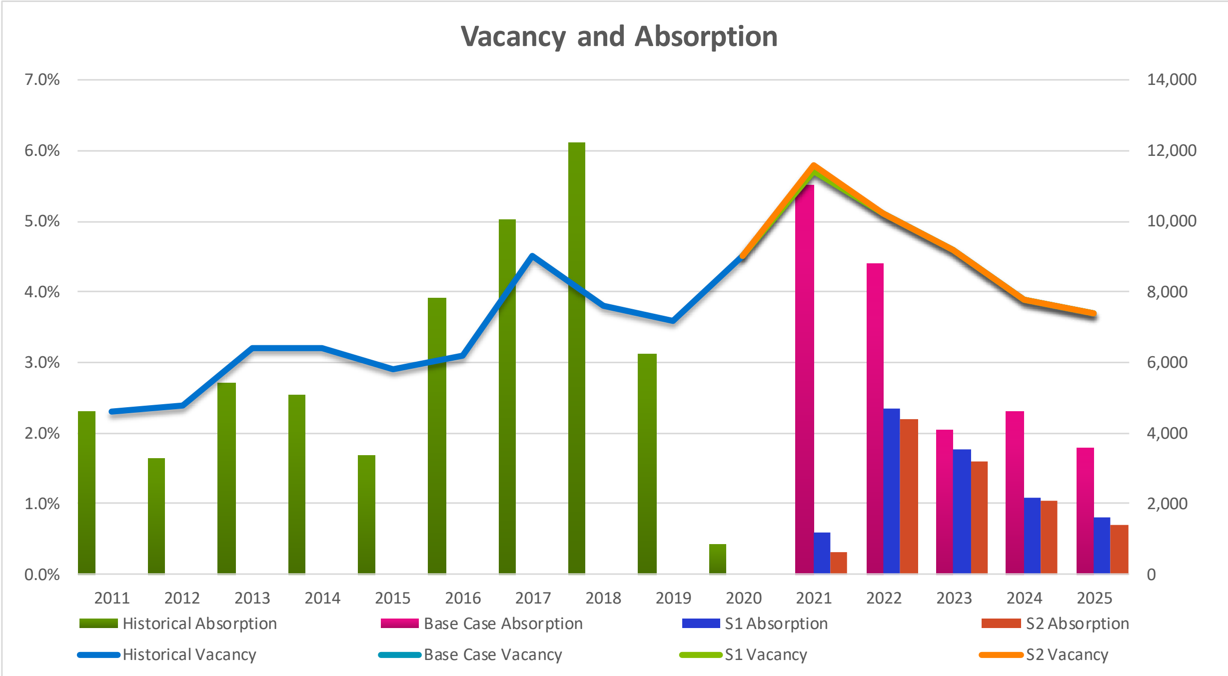
Given the amount of new supply entering the market, as well as population growth factors, we believe the market will experience demand sufficient to support new construction in the long-term. The subject is located in a growing submarket that is in demand due to its easy access to Midtown Manhattan, New York City's main area of employment.

Forecasting

Moody's Analytics REIS provides econometric based forecasting data. The primary forecast provided by REIS is termed the "Base Case Scenario". This is founded on the Moody's Analytics forecast for the area (presented in the Area Analysis section of this report). In this case, two other scenarios are available as well. These are known as Moody's Analytics "Downside - 90th Percentile (S3)" and Moody's Analytics "Downside - 96th Percentile (S4)". They are reflective of cases where there is greater downturn in the market than projected under the base Moody's Analytics forecast for the area economy. Basically an indication of "worst case" type scenarios which are useful in stress testing.

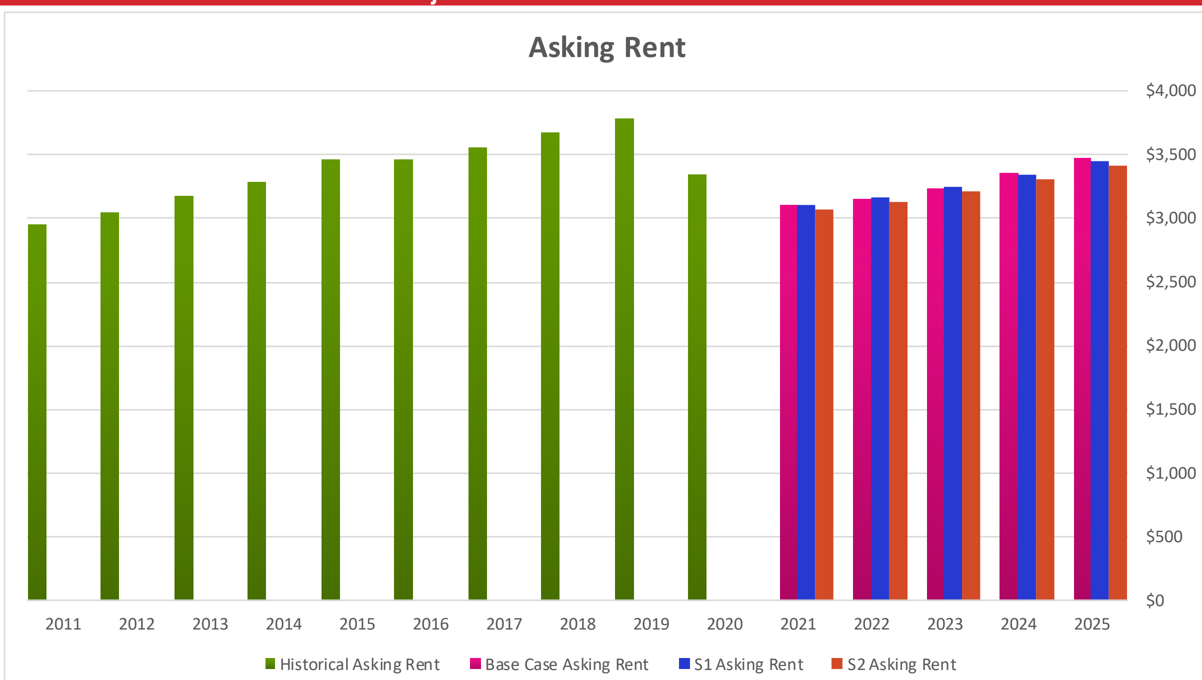
The following charts reflect 10 years of historical data combined with 5 years of forecast metrics.

New York Metro Market Metrics and Reis Projection Scenarios



Reis S1 Scenario: Moody's Analytics "Downside - 90th Percentile (S3)"
Reis S2 Scenario: Moody's Analytics "Downside - 96th Percentile (S4)"
Compiled by NKF

New York Metro Market Metrics and Reis Projection Scenarios



Reis S1 Scenario: Moody's Analytics "Downside - 90th Percentile (S3)"
Reis S2 Scenario: Moody's Analytics "Downside - 96th Percentile (S4)"
Compiled by NKF

The following table provides the underlying data to the preceding graphs.

New York Metro Market Metrics and Reis Projection Scenarios						
Year	Inventory (Unit)	Vacancy (%)	Net Absorption (Unit)	Completions (Unit)	Asking Rent/Unit	Effective Rent/Unit
Reis Historical						
2011	166,585	2.30%	4,605	2,608	$2,949	$2,874
2012	170,055	2.40%	3,265	4,806	$3,042	$2,987
2013	177,035	3.20%	5,435	5,805	$3,181	$3,124
2014	182,263	3.20%	5,099	5,228	$3,283	$3,227
2015	185,158	2.90%	3,357	2,895	$3,458	$3,402
2016	193,706	3.10%	7,819	8,668	$3,458	$3,363
2017	207,029	4.50%	10,045	13,502	$3,560	$3,388
2018	218,306	3.80%	12,246	11,277	$3,674	$3,492
2019	224,234	3.60%	6,225	5,928	$3,785	$3,609
2020	227,246	4.50%	850	3,012	$3,339	$3,170
Reis Base Case Scenario						
2021	241,937	5.70%	11,030	15,601	$3,103	$2,949
2022	249,539	5.10%	8,796	7,602	$3,153	$2,999
2023	252,534	4.60%	4,101	2,995	$3,241	$3,084
2024	255,444	3.90%	4,610	2,910	$3,350	$3,197
2025	258,683	3.70%	3,595	3,239	$3,469	$3,325
Reis S1 Scenario						
2021	231,541	5.70%	1,194	5,205	$3,108	$2,953
2022	234,890	5.10%	4,715	3,349	$3,160	$3,006
2023	237,330	4.60%	3,519	2,440	$3,243	$3,087
2024	237,831	3.90%	2,174	501	$3,341	$3,187
2025	239,062	3.70%	1,625	1,231	$3,451	$3,307
Reis S2 Scenario						
2021	230,994	5.80%	647	4,658	$3,076	$2,923
2022	233,992	5.10%	4,386	2,998	$3,128	$2,975
2023	236,088	4.60%	3,186	2,096	$3,208	$3,053
2024	236,501	3.90%	2,090	413	$3,303	$3,150
2025	237,516	3.70%	1,413	1,015	$3,410	$3,266

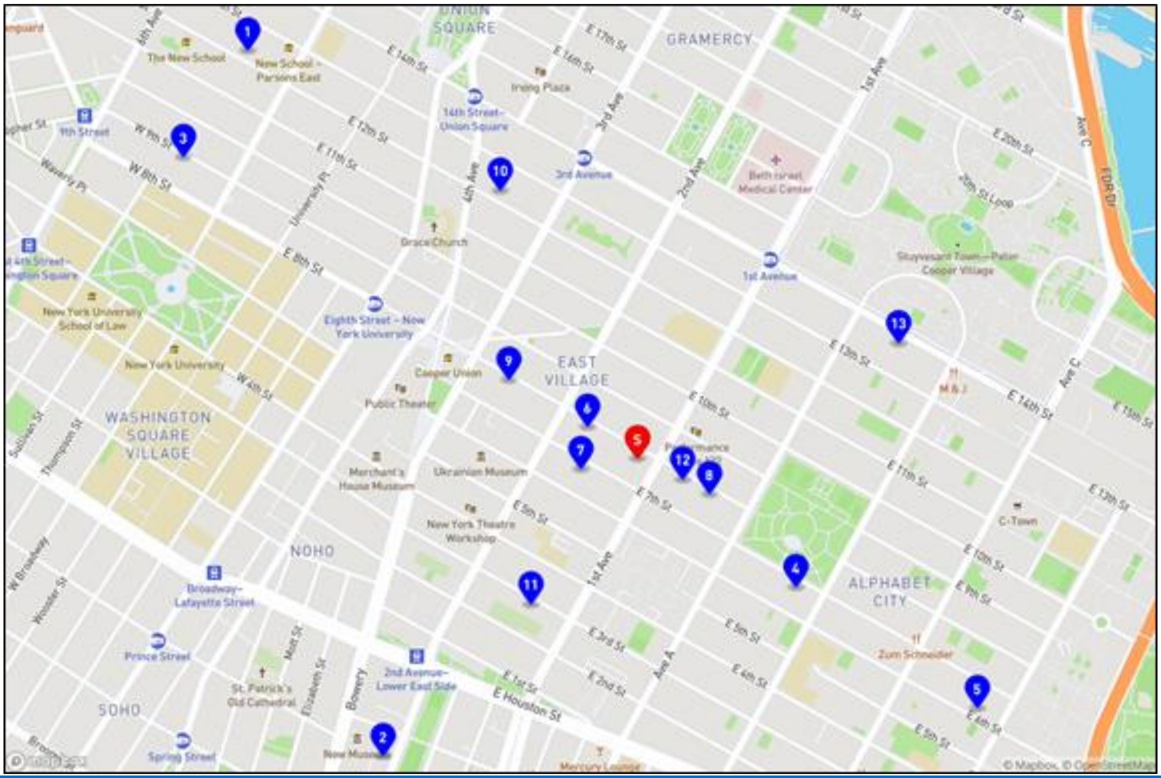
Reis S1 Scenario: Moody's Analytics "Downside - 90th Percentile (S3)"

Reis S2 Scenario: Moody's Analytics "Downside - 96th Percentile (S4)"

Compiled by NKF from Reis data

- REIS expects vacancy to float upwards to as much as 5.8% before returning to levels more similar to pre-pandemic periods of 3.7% in 2025.

Competitive Properties



Competitive Properties Map

Comparable Property Summary

	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	78-80 St Marks Place	23 West 12th Street	191 Chrystie Street	20 West 9th Street	168-170 East 7th Street	743 East 6th Street
Address	78-80 St Marks Place	23 West 12th Street	191 Chrystie Street	20 West 9th Street	168-170 East 7th Street	743 East 6th Street
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Rentable Area (SF)	10,750	7,000	37,500	7,043	9,720	3,680
Year Built	1920	1900	1920	1845	1911	1940
Number of Floors	4	4	6	4	5	3
Condition	Average	Average	Good	Average	Average	Average
Occupancy	100%	100%	86%	100%	95%	100%

Compiled by NKF Valuation & Advisory

Trends and Projections

Subject and Market Historical and Forecast Trends

Market Vacancy Rate Indicators

	Current	Most Recent Full Year	Trailing 3-Year	Trailing 5-Year	Trailing 10-Year	Forward 1-Year	Forward 3-Year	Forward 5-Year
Reis								
New York Metro	4.50%	4.50%	3.80%	3.10%	2.30%	5.70%	4.60%	3.70%
West Village/Downtown	5.40%	5.40%	3.50%	3.30%	2.20%	5.80%	4.70%	3.50%
Concluded Subject Vacancy Rate	4.00%							

Source: Costar, NKF Valuation & Advisory

- Over the previous 5-years period the vacancy rate in the New York Metro area has been less than to that of West Village/Downtown.

- West Village/Downtown is expected to have a vacancy rate less than what the New York Metro area is expecting over the next five years. Vacancy rates are currently elevated due to the COVID-19 pandemic but are expected to improve after approximately three years.

Market Conclusion

Positive Attributes	Negative Attributes
The subject's submarket has historically achieved high occupancy due to its proximity to Midtown Manhattan and rental rates.	Uncertainty within the market amid the COVID-19 crisis which is expected to have negative effects on property value and the rental market.
Multifamily demand within the New York metro market is considered amongst the strongest in the country.	The COVID-19 pandemic has caused more households to leave the city and relocate into the suburbs.

Conclusion

Occupancy Conclusions	
Reis	
New York Metro	95.50%
West Village/Downtown	94.60%
Subject Property's Stabilized Occupancy	96.00%

Source: Costar, NKF Valuation & Advisory

- The subject and the area have historically achieved high rental rates due to the proximity to Midtown Manhattan.
- The subject area is expected to experience positive population growth trends which will reinforce the high demand levels in the area.
- The concentration of talented workers, and big tech companies such as Amazon and Facebook buying up office space will be critical drivers in New York's recovery; therefore, New York's appeal is unlikely to diminish.

Manhattan Retail Market Analysis

Introduction

The following overview examines current trends and major developments continuously evolving within the Manhattan retail market, which continues to be the number one tourist destination in the world. We note that the tourism industry has and will continue to be impacted for a period of time during the global impact of COVID-19. As global isolation continues to impact retail markets, which are tourism dependent, the duration of the isolation at this point is an unknown, and likely will not recover until a vaccine is widely distributed. As part of this appraisal, we have continued to monitor the global resurgence, as officials around the world lift self-quarantine and other restrictions on business and social activity. A timeline of COVID-19 guidelines and restrictions placed on New York City has been provided below:

COVID-19 Guideline and Restrictions Timeline

From our independent research, the self-isolation and economic halt in New York City started March 20th, and Governor Andrew Cuomo has announced that phase four of the partial reopening of Manhattan commenced on July 20th. As of December 14th, all restaurants and bars were required to close indoor dining. Outdoor dining, takeout, and delivery are still permitted.

Based on our research and the mandates enacted by Governor Andrew Cuomo, New York City is in phase four (final phase) of reopening. According to the administration, only low-risk outdoor venues such as botanical gardens, zoos, and select indoor venues are permitted to reopen. There are still stringent limits on malls, gyms, museums, and theaters, as well as indoor dining which reopened with 50% capacity limits in March 2021. Additionally, retail stores have reopened with social distancing measures and visitor limitations throughout Manhattan. While many retailers begin the long road to recovering to pre-pandemic levels, it is still too preliminary to determine the severity and lasting trends it will have on major markets and investment activity. The travel restrictions that are currently in place have negatively impacted tourism which will continue to hinder the retail market in the near future. Although the recovery process of COVID-19 throughout New York City is still unknown, respondents are optimistic that the short-term regression will be met with market fundamentals that were reflective of pre COVID-19 levels.

Commercial real estate has been largely impacted by COVID-19 due to strenuous guidelines and restrictions set forth by officials around the world to contain the spread of the virus, and avoid spiked cases resulting in a “second wave,” as cold weather forces businesses indoors. In October 2020, Mayor Bill de Blasio announced that the City of New York will enact the phased temporary closing of non-essential businesses located within COVID-19 hot-spots, which was subsequently overruled by Governor Andrew Cuomo. In November 2020, all school buildings temporarily closed for teaching and learning, and all New York City public school students transitioned to fully remote learning. Public school buildings have begun reopening in phases for in-person learning. In December 2020, distribution of the COVID-19 vaccine began.

State of the Manhattan Retail Market

Within the following section, we have utilized Newmark Knight Frank Research and the Real Estate Board of New York (REBNY) statistical analyses, which is considered a reputable third-party source to compare Newmark's compilation of current market statistics along the primary retail corridors located throughout Manhattan. Some of the data collected may appear outdated; however, research professionals throughout New York City have indicated that the market is still adjusting to the repercussions of COVID-19 and overall lasting impact on value and rents is still somewhat of an unknown as of the current date. Market professionals still believe the recovery will depend on location and shouldn't be viewed as a market adjustment that can be categorized across Manhattan. Despite planned volatility in the market over the next 24 to 36 months, several investors still consider New York City to be a safe market, and market professionals understand that businesses will be impacted until a vaccine is widely distributed. In consideration of this, our rents, overall market leasing assumptions, vacancy and collection loss and investment rates consider a near term compromised market.

Prior to COVID-19, Manhattan's retail market correction continued through the end of 2019. During the first two months of 2020, it appeared that the Manhattan retail market had established a new equilibrium and retail rents had been re-established after a 4-year adjustment. However, as previously discussed, March represented the early signs of the market halt as a result of the pandemic.

As of the first quarter of 2021, the effects of the pandemic have become evident in the market, with rents falling and availability rising from pre-COVID levels in all ten submarkets tracked by Newmark Research. This follows the fourth quarter with declining asking rents and increasing availability rates. During the third quarter, which posted moderate changes as great uncertainty prevailed; tenants and landlords were assessing whether closures were temporary or permanent; and landlords deliberated on changes to asking rents. During the second quarter, many landlords and leasing agents were reluctant to quote new asking rents, preferring instead to state that rents were highly negotiable or that there was no asking rent, which resulted in minimal change in asking rents in many locations. However, during the first quarter, the majority of those cases were re-evaluated, and reduced asking rents were posted. As a result, all ten submarkets posted reductions in asking rents from pre-COVID levels.

Average asking rents decreased in every trade area; however, the declines were less steep than those recorded from the third to the fourth quarter. Five out of the ten trade areas recorded rents declines of at least 15% from pre-COVID levels. These included SoHo, Fifth Avenue, Flatiron District, Madison Avenue, and Financial District. Despite the 22.7% drop in rents along Fifth Avenue, it remains the most expensive submarket, with rents averaging $1,528 per square foot. The Upper West Side and the Plaza District have fared the best during the pandemic, with rents dropping by 8.6% and 6.5%, respectively. Landlords continue to offer a novel lease structure through which tenants pay a low base rent, with escalations later in the term that bring rent payments back to pre-pandemic levels. This allows tenants to deal with the continued economic uncertainty surrounding COVID-19.

In order to combat declining asking rents, a new deal structure emerged during the fourth and first quarters. Some transactions noted within this analysis and pending leases that Newmark is aware of are being signed with a low base rent early in the term, followed by step-ups that return rent to pre-COVID levels. This is intended to support tenants with strong long-term prospects, while elements of the public health crisis continue to create uncertainty in the market.

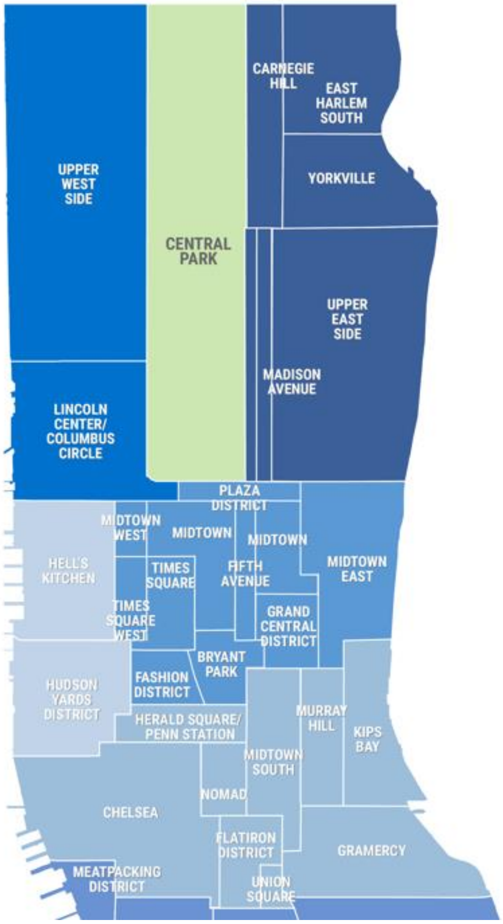
First-quarter leasing activity was recorded at 402,630 square feet, 10.4% below the first-quarter 2020 total of 449,531 square feet. There were just two deals above 20,000 square feet this quarter. Gucci renewed its lease at 725 Fifth Avenue for 48,667 square feet, and Delmonico's Steakhouse opened another outpost in Hell's Kitchen at 510 West 42nd Street. Although velocity was approximately 80,000 square feet below fourth-quarter totals, half of fourth-quarter 2020 leasing came from two Home Depot deals, which totaled 240,000 square feet.

Other noticeable deals this quarter included CVS's 19,350-square-foot lease at 217 Broadway, CityMD's deal at 1865 Broadway for 17,422 square feet, and a new grocery store location for Chef's Local Harvest in the East Village at 421-427 East 14th Street.

While leasing activity included several significant deals, a diverse range of tenants reentered the market with requirements for space in the first quarter. The entrance of 85 new tenants, from industries such as apparel, fitness, full- service restaurants, and entertainment, to the market was a distinct change from the third quarter, when new tenants in the market were largely limited to quick-service restaurants and essential businesses, such as grocery stores, medical and pharmacies.

Prior to the COVID-19 pandemic, investor activity along high-profile retail corridors in Manhattan was strong following the recent retail market correction, which spoke to the inherit value of having frontage along Manhattan's most prestigious locations. However, as a result of the work-from-home order and market closure in March 2020, investment activity across most property types that were not placed under contract pre-virus were put on hold or removed from the market. Based on our discussions with capital markets professionals, despite the halt in investment sales activity, investors have resumed the pre-virus trend of flight to quality. This trend can be evidenced by Reuben Brothers acquisition of 609 Fifth Avenue from SL Green and the 747 Madison Avenue acquisition.

Newmark Overview of Retail Submarkets

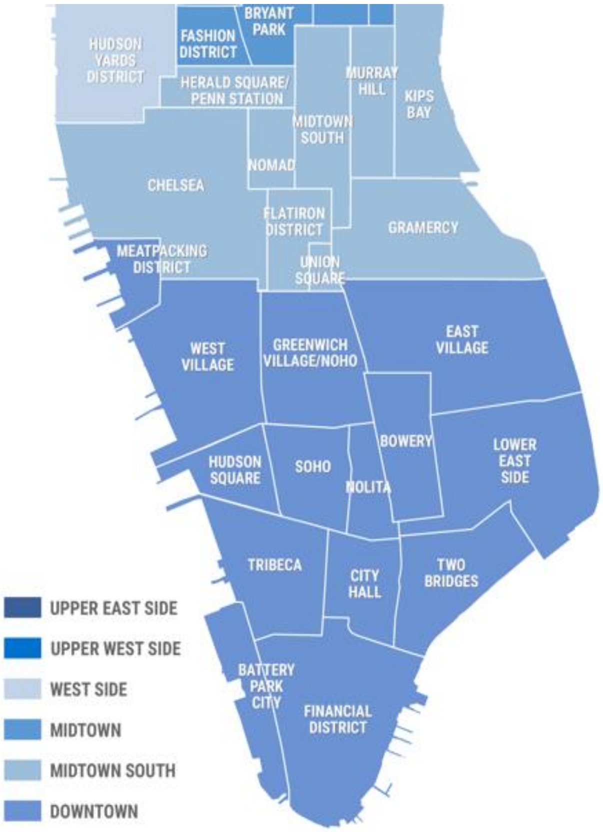


Upper Manhattan

- **Madison Avenue** (between East 59th and East 86th Streets)
- **Upper East Side** (East of Madison Avenue between East 56th to East 86th Streets)
- **Upper West Side** (Broadway, Columbus, and Amsterdam between West 72nd and West 96th Streets)

Midtown

- **Fashion District** (Seventh to Eighth Avenues, between West 35th and West 41st Streets)
- **Times Square** (Broadway to Seventh Avenue, between West 41st to West 51st Streets, and 42nd Street from Broadway to Eighth Avenue)
- **Grand Central District** (Lexington to Madison Avenue, between East 39th and East 47th Streets, and East 42nd Street between Third and Madison Avenues)
- **Midtown East District** (East of Lexington Avenue, between East 42nd and East 59th Streets)
- **Midtown District** (Lexington to Madison Avenues, between 47th and 57th Streets, Sixth Avenue between 43rd and 57th Streets, Seventh to Eighth Avenues between 51st and 57th Streets)
- **Fifth Avenue** (between 39th and 60th Streets)
- **Bryant Park** (Broadway to Fifth Avenue, between 35th and 43rd Streets)
- **Plaza District** (Lexington to Seventh Avenues, between 57th and 59th Streets)



Midtown South

- **Flatiron District** (Park to Fifth Avenues, between 14th and 23rd Streets)
- **Chelsea** (Westward from Sixth Avenue between 14th and 31st Streets)
- **Herald Square/Penn Station** (Sixth to Eighth Avenues, between 31st and 35th Streets, and 34th Street, between Fifth and Eighth Avenues)
- **NoMad** (Fifth to Sixth Avenues between 23rd and 31st Streets)
- **Midtown South District** (Lexington to Fifth Avenues, between 23rd and 39th Streets)

Downtown

- **Financial District** (Eastward from Battery Park from South to Fulton Streets)
- **Tribeca** (Westward from Broadway from Chambers to Canal Streets)
- **SoHo** (Broadway to Sixth Avenue, West Houston Street to Canal Street)
- **Greenwich Village/NoHo** (From Broadway to Sixth Avenue, between West Houston and 13th Streets)
- **Meatpacking** (From Gansevoort to 16th Street, Westward from Eighth Avenue)

New York Retail Market Profile

Prior to COVID, despite the increase in e-commerce transactions and the widespread negative impact it has had on brick and mortar retail sales figures in the retail marketplace, Manhattan continued to grow in key categories such as the total daytime population, average weekday subway ridership and household income measures. These metrics have historically driven increases in consumer spending for a majority of the major retail goods and services expenditure categories. Based on the average annual tourist and daytime population figures throughout Manhattan, we anticipate that retail sales figures will recover and grow, as Manhattan retailers find creative ways to integrate traditional brick and mortar storefronts with associated e-commerce platforms.

- Average weekday ridership on MTA NYC subways rose 1.1% from 2018 to 2019. Average weekly bus ridership fell 0.7% over that same period. Overall, MTA Ridership increased by a nominal 0.2% over span of 2018 to 2019. Annual public ridership has remained steady over the past 5 years and has hovered around the median range of 2.2 billion passengers per year. This is largely attributed to the rise of ride-hailing services such as Uber, Lyft, Via, etc., over the past 5-years, which have significantly impacted the City's projected revenue from public transportation.
- Due to the onset of COVID-19, daily subway and bus ridership has drastically decreased year-over-year. As of April 25, 2021, subway ridership has decreased approximately 60% year-over-year and bus ridership has decreased 48% year-over-year due to the work from mandates put in place by most companies.
- In five years, the median household income in Manhattan is projected to increase to $99,415 by 2025, representing a 12.91% increase from $88,043 in 2020.
- In 2020, the average household income in Manhattan was $146,135 and is expected to increase to $163,351 or 11.78% by 2025.
- In 2019, average daytime employee population was approximately 3.94 million people in Manhattan.

The following chart shows consumer spending per category for Manhattan in 2020:

Market Profile

Manhattan borough, NY
Manhattan borough, NY (3606144919)
Geography: County Subdivision

Prepared by Esri

	Manhattan bor...
Top 3 Tapestry Segments	
1.	Laptops and Lattes (3A)
2.	High Rise Renters (13E)
3.	Metro Renters (3B)
2020 Consumer Spending	
Apparel & Services: Total $	$2,933,103,909
Average Spent	$3,677.75
Spending Potential Index	171
Education: Total $	$2,581,811,282
Average Spent	$3,237.28
Spending Potential Index	181
Entertainment/Recreation: Total $	$3,985,433,148
Average Spent	$4,997.25
Spending Potential Index	154
Food at Home: Total $	$6,880,403,921
Average Spent	$8,627.18
Spending Potential Index	162
Food Away from Home: Total $	$5,000,492,517
Average Spent	$6,270.01
Spending Potential Index	166
Health Care: Total $	$6,265,133,805
Average Spent	$7,855.71
Spending Potential Index	137
HH Furnishings & Equipment: Total $	$2,564,741,667
Average Spent	$3,215.87
Spending Potential Index	147
Personal Care Products & Services: Total $	$1,160,269,903
Average Spent	$1,454.84
Spending Potential Index	158
Shelter: Total $	$27,636,563,966
Average Spent	$34,652.87
Spending Potential Index	179
Support Payments/Cash Contributions/Gifts in Kind: Total $	$2,372,954,902
Average Spent	$2,975.40
Spending Potential Index	127
Travel: Total $	$3,051,190,840
Average Spent	$3,825.82
Spending Potential Index	159
Vehicle Maintenance & Repairs: Total $	$1,250,404,398
Average Spent	$1,567.85
Spending Potential Index	135

Manhattan Retail Market Statistics (Newmark Knight Frank Statistics)

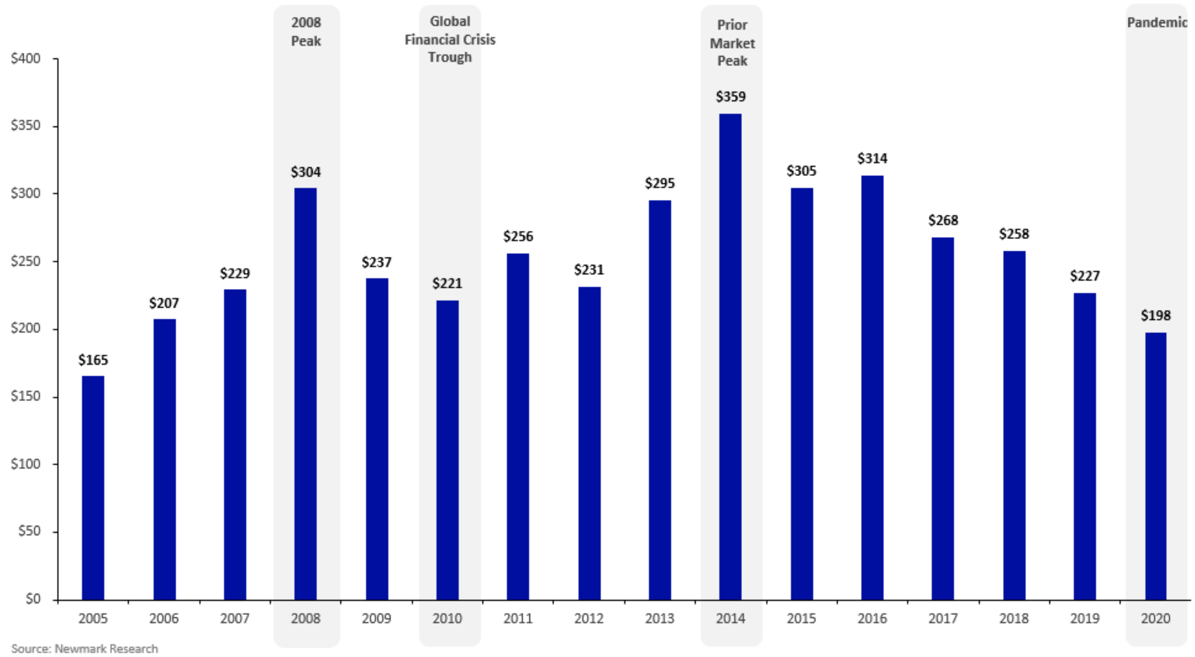
Fourth Quarter 2020 Market Overview						
Submarket	**Availability Rate**	**Direct Availability**	**Sublet Availability**	**Average Ground Floor Space**	**Average Asking Rent (PSF)**	**Highest Asking Rent (PSF)**
Fifth Avenue	27.0%	22.5%	4.5%	3,862	$1,583	$4,000
Financial District	20.4%	19.0%	1.3%	3,526	$337	$625
Flatiron District	18.1%	15.4%	2.8%	3,290	$265	$540
Madison Avenue	24.5%	23.0%	1.5%	1,656	$668	$1,350
Meatpacking District	28.5%	26.6%	1.9%	3,485	$333	$700
Plaza District	17.4%	16.5%	0.9%	2,813	$454	$1,050
SoHo	22.0%	20.7%	1.3%	2,622	$272	$992
Times Square	24.4%	23.3%	1.1%	3,446	$858	$2,300
Upper East Side	12.7%	12.1%	0.6%	2,097	$200	$425
Upper West Side	10.4%	9.7%	0.7%	2,105	$174	$333
Average	**20.5%**	**18.9%**	**1.7%**	**2,890**	**$514**	**$1,231**
High	**28.5%**	**26.6%**	**4.5%**	**3,862**	**$1,583**	**$4,000**
Low	**10.4%**	**9.7%**	**0.6%**	**1,656**	**$174**	**$333**

Compiled by Newmark Knight Frank

As previously mentioned, all ten retail submarkets posted reductions in asking rents from pre-COVID levels, averaging a total decrease of 10.3%. Year-over-year declines were steeper in some trade areas. From the first quarter of 2020, the largest asking rent decline occurred in SoHo, which fell 20.7%, followed by Fifth Avenue and the Flatiron District, which fell by 19.9% and 17.4%, respectively.

It should be noted that the availability rates shown above do not include temporary store closures, and repricing of existing availabilities to come, as the market is essentially frozen. Tenants and landlords continue to grapple with the need for rent relief. Providers of essential goods and services are well-positioned in the wake of COVID-19. Other strong industries include e-commerce and technology. Tenants with a long-term business model, financial security, and a devoted customer base are more likely to succeed in these uncertain times. However, other sectors, such as wellness and apparel, were forced to close their stores quickly, and as a result, laid off employees. Restaurants are similarly strapped, with delivery and takeout the only options. Indoor dining scheduled to reopen in February 2021.

On the following page, we have provided a detailed overview of the average retail taking rents per square foot since 2005.



As indicated on the chart above, during the Global Financial Crisis, it took two years for Manhattan retail taking rents to hit the trough of the economic cycle in 2010. Thereafter, it took five years for the average taking rents to return to levels exhibited in 2008. Rents achieved new record highs in 2014, when the average taking rent throughout Manhattan reached $359 per square foot, which exhibited a compound annual growth rate of approximately 10.2% per annum over that period-of-time. However, over the proceeding 4 years, the Manhattan retail market experienced a market correction, due to the emergence e-commerce, and the pressure that diminished in-person sales figures put on brick-and-mortar locations, which brought the average taking rent throughout Manhattan to levels achieved at the trough of the Global Financial Crisis in 2019. The decline in rents was primarily felt along Manhattan's high-street retail corridors that featured big-box retail suites, such as the Broadway corridor of SoHo, Lower Fifth Avenue and secondary corridors within Times Square, as tenants were unwilling to commit to large spaces at rents achieved at the peak of the market. These corridors experienced the largest increase in availability rates as a result over this period of time.

Prior to the onset of COVID-19, it appeared that the Manhattan retail market recovered from the market correction. Landlords began to adjust to tenant demand through partitioning space to create a smaller footprint for prospective tenants and adjusting retail asking rents to be more conducive for adequate health ratios. Tenants also began to re-enter the market, as retail space throughout Manhattan became a branding opportunity for prospective tenants to create synergies between their e-commerce and their brick and mortar presence. As a result, in 2019, availability rates throughout Manhattan had begun to recover to pre-correction levels.

In March 2020, as non-essential business closures and travel bans were implemented by the local and national government to combat the spread of the COVID-19 virus, potential leases that were

being negotiated prior to the pandemic were put on pause indefinitely, and leasing activity entered a stand-still. A majority of the leases signed in 2020 were essential businesses, highlighted by tenants like Target and Home Depot. Almost all retail areas tracked by Newmark research exhibited atypical retail rent declines and availability increases, as tenants began to re-evaluate their retail needs across their respective portfolios. Retail neighborhoods that primarily feature high-end retailers such as the Upper Madison Avenue and Upper Fifth Avenue retail corridors where tremendously impacted as consumers shifted spending to essential goods and services as a result of unemployment hikes in the early stage of the pandemic. Times Square and SoHo were tremendously impacted, as these corridors traditionally flourish due to the annual tourism that drives these neighborhoods. In addition, due to the closure of non-essential business, neighborhoods such as the Financial District, Midtown, Flatiron District and Hudson Yards were impacted due to the lack of daily foot traffic from the surrounding commercial product.

At the end of 2020, as certain restrictions implemented due to COVID-19 were relieved, tenants began to re-enter the market and leasing activity increased over the fourth quarter of 2020. Based on our conversations with a number of retail leasing brokers in the marketplace, the short-term outlook for the Manhattan retail market is considered to be uncertain as there is no clear indication of when a vaccine will be widely distributed to the public as the country still exhibits supply issues of the vaccine. Until a vaccine is readily accessible and people begin returning to work and tourism rebounds, tenants will continue to remain still and continue to push off leasing discussions into the later parts of 2021. While the current outlook is considered uncertain, as tourism and commercial tenants begin to return to Manhattan, the future outlook of the retail market is considered positive, given the historical performance of this area. The recent major leases signed over the fourth quarter of 2020 exhibit the continued commitment by tenants in the market to Manhattan and have been further summarized within this analysis.

Asking Rents

REBNY has elected to withhold the Spring '20 retail report due to the onset of COVID-19 which has caused the market to remain stagnant quarter-over-quarter. The Fall '20 retail report is the most current report released by REBNY.

The market correction continued its way through 2020 as average asking rents per square foot (psf) of ground floor retail space declined in all 17 high profile corridors that the REBNY Manhattan Retail Report surveys bi-annually. During the Fall 2020 Manhattan Retail reporting period, all 17 corridors experienced a decrease in average asking rents since Fall 2019, ranging from 1% to 25%. These decreases are historic, with 8 corridors experiencing their lowest price per square foot averages in at least a decade. While asking rents dropped significantly, taking rents are reported to be much lower, with some brokers citing average differences between asking and taking rents around 20%. Some property owners have been willing to provide tenant improvements and concessions, in addition to more creative deal making, including shorter lease agreements and percent-of-sales rent offerings in the near-term. The current market provides ample opportunity for retailers seeking

entrance to the Manhattan market and exemplifies landlords' increased flexibility during these uncertain economic times.

The chart on the following page references the REBNY retail report as of the Fall 2020. It is important to note that asking rents are typically tracked based on the ground floor space only. Below grade and upper level retail space is generally leased at a discount to the ground floor.

REBNY Average Asking Rent

Submarket Location	Fall '20 Average Asking Rent	Fall '19 Average Asking Rent	Percent Change From Spring '19
Upper East Side			
East 86th St (Lexington - Second Ave's)	$294	$327	-10.1%
Madison Ave (57th - 72nd Sts)	$784	$906	-13.5%
Third Ave (60th - 72nd St.)	$211	$233	-9.4%
Upper West Side			
Broadway (72nd St - 86th St)	$241	$263	-8.4%
Columbus Ave (66th St - 79th St)	$289	$298	-3.0%
Midtown			
East 57th St (5th Ave - Park Ave)	$633	$740	-14.5%
Upper Fifth Avenue			
5th Ave (49th St - 59th St)	$2,618	$2,838	-7.8%
Lower Fifth Avenue			
5th Ave (42th St - 49th St)	$717	$852	-15.8%
Times Square			
Broadway & 7 Ave (42nd - 47th St.)	$1,643	$1,889	-13.0%
Midtown South			
Herald Square			
34th St (Fifth - Seventh Ave.)	$441	$528	-16.5%
Flatiron			
Fifth Ave (14th - 23rd St.)	$271	$348	-22.1%
Broadway (14th - 23rd St.)	$322	$377	-14.6%
Downtown			
Meatpacking			
14 St. (Ninth - Tenth Ave)	$333	$345	-3.5%
West Villlage			
Bleecker St (7th Ave South - Hudson St)	$252	$278	-9.4%
SoHo			
Broadway (Houston - Broome St.)	$367	$491	-25.3%
Lower Manhattan			
Broadway (Battery Park - Chambers St.)	$407	$413	-1.5%
Upper Manhattan- Harlem			
125th Street (5th Avenue - Morningside Ave.)	$141	$151	-6.6%

Source: The Real Estate Board of New York Fall 2019 Retail Report and Newmark Knight Frank Valuation & Advisory

For further support, we have also included the REBNY range of asking rents by submarket. The following table summarizes the 17 retail submarkets that are statistically tracked by REBNY:

Primary Retail Markets and Corridors			
Submarket Location	**Fall '20 Asking Rent Range**	**Fall '19 Asking Rent Range**	**Spring '19 Asking Rent Range**
Upper East Side			
East 86th St (Lexington - Second Ave's)	$1500 - $425	$200 - $475	$225 - $475
Madison Ave (57th - 72nd Sts)	$450 - $1,350	$350 - $1,502	$800 - $1,600
Third Ave (60th - 72nd St.)	$150 - $272	$185 - $300	$160 - $300
Upper West Side			
Broadway (72nd St - 86th St)	$166 - $325	$166 - $409	$166 - $410
Columbus Ave (66th St - 79th St)	$177 - $416	$150 - $458	$125 - $458
Midtown			
East 57th St (5th Ave - Park Ave)	$450 - $750	$650 - $800	$800 - $1,175
Upper Fifth Avenue			
5th Ave (49th St - 59th St)	$638 - $4,000	$1,750 - $3,750	$2,000 - $4,000
Lower Fifth Avenue			
5th Ave (42th St - 49th St)	$600 - $967	$600 - $1,176	$500 - $1,500
Times Square			
Broadway & 7 Ave (42nd - 47th St.)	$350 - $2,721	$1,425 - $2,350	$1,500 - $2,350
Midtown South			
Herald Square			
34th St (Fifth - Seventh Ave.)	$171 - $720	$400 - $800	$447 - $850
Flatiron			
Fifth Ave (14th - 23rd St.)	$164 - $375	$300 - $415	$295 - $550
Broadway (14th - 23rd St.)	$206 - $410	$325 - $425	$325 - $410
Downtown			
Meatpacking			
14 St. (Ninth - Tenth Ave)	$150 - $700	$150 - $700	$195 - $375
West Villlage			
Bleecker St (7th Ave South - Hudson St)	$125 - $350	$142 - $379	$150 - $584
SoHo			
Broadway (Houston - Broome St.)	$125 - $629	$250 - $733	$300 - $978
Lower Manhattan			
Broadway (Battery Park - Chambers St.)	$95 - $785	$150 - $785	$150 - $625
Upper Manhattan- Harlem			
125th Street (River - River)	$100 - $200	$100 - $250	$90 - $250

Source: The Real Estate Board of New York Fall 2019 Retail Report and Newmark Knight Frank Valuation & Advisory

Leasing Activity

Despite healthy market entering the first quarter of 2020, and signs that the New York City market had begun to exit the market correction, the onset of COVID-19 completely altered the trajectory of the market.

As a result, leasing activity throughout Manhattan declined significantly, with year-to-date velocity totaling 1.6 million square feet, down 42.1% year-over-year. Volume closed out the year well below the five-year annual average of 3.1 million square feet. Driving this trend is a drop in large deals above 25,000 square feet. There have been at least 15 large leases every year since 2014, but there was only 10 in 2020.

The chart on the following page provides an overview of the most notable lease transactions throughout the Manhattan retail market in the third quarter of 2020.

1Q21 Notable Transactions

Tenant	Address	Trade Area	Square Feet	Deal Type
Gucci	725 Fifth Avenue	Fifth Avenue	48,667	Renewal
Delmonico's Steakhouse	510 West 42nd Street	Hell's Kitchen	20,000	New
CVS	217 Broadway	Financial District	19,350	New
CityMD	1865 Broadway	Lincoln Center / Columbus Circle	17,422	New
Chef's Local Harvest	421-427 East 14th Street	East Village	17,300	New

Despite the overall decrease in activity, several significant deals were finalized during the first quarter. Essential business, such as food and beverage, healthcare and grocery, as well as ghost kitchens and quick services restaurants drove leasing. Activity among gyms, entertainment venues and sit-down restaurants remained low.

High Street Leasing Activity Spotlight

Since the onset of COVID-19, several notable deals were signed throughout Manhattan's high street retail corridors. As rents continued to trend downwards, retailers capitalized on the opportunity to have a presence along the most prominent shopping corridors in the city. Notably, the Swiss manufacturer and retailer of luxury watches, Chopard, signed a lease at 730 Fifth Avenue (Crown Building). Harry Winston renewed and expanded for 37,000 square feet at 712 Fifth Avenue. This recently signed leases demonstrate the commitment and desire of high-end retailers to be located along Manhattan's most prestigious retail corridor.

On Madison Avenue, luxury fashion houses Fendi and Berluti both signed leases at 595 Madison Avenue, taking the former Coach space that had been on the market for multiple quarters. Further up the avenue, Agent Provocateur renewed at 675 Madison, Manolo Blahnik leased space at 717 Madison, while Frame Denim at 900 Madison Avenue and Jenni Kayne at 1082 Madison Avenue leased their first storefronts along the corridor.

However, as further discussed in the following section, bankruptcies contributed to a rise in availability. Filings peaked in July and fell in subsequent months through October. In March, companies such as Omega Sports and Alamo Drafthouse filed for bankruptcy.

Due to the lack of leases signed since March 2020, it is too preliminary to say whether or not the declining asking rents along high street retail corridors are a temporary adjustment or permanent correction. Similar to the office market, landlords have begun to offer increased concession packages, primarily along high-street retail corridors, in order to entice tenants to lease space. Furthermore, landlords have begun to structure low base rent early in respective lease terms, followed by step-ups that return rent to pre-COVID levels. The travel bans and lockdowns have negatively impacted retail locations located within these high-profile corridors, but market

professionals are not certain whether the impact of COVID-19 on asking rents will be a lasting rent correction, similar to what was seen in 2016.

Availability Rates

An overview of the availability rates by submarket have been presented on the following chart:

Manhattan Retail Market Statistics Availability Rates						
Market	4Q 2020 (Direct)	1Q 2020 Pre-COVID (Direct)	Quarterly % Change	4Q 2020 (Overall)	1Q 2020 Pre-COVID (Overall)	Quarterly % Change
Fifth Avenue	22.5%	19.8%	2.7%	27.0%	23.4%	3.6%
Financial District	19.0%	18.6%	0.4%	20.4%	18.6%	1.8%
Flatiron District	15.4%	9.1%	6.3%	18.1%	12.6%	5.5%
Madison Avenue	23.0%	13.9%	9.1%	24.5%	15.1%	9.4%
Meatpacking District	26.6%	22.3%	4.3%	28.5%	25.3%	3.2%
Plaza District	16.5%	15.1%	1.4%	17.4%	15.6%	1.8%
SoHo	20.7%	16.5%	4.3%	22.0%	18.1%	3.9%
Times Square	23.3%	18.9%	4.4%	24.4%	20.6%	3.8%
Upper East Side	12.1%	10.5%	1.6%	12.7%	11.4%	1.3%
Upper West Side	9.7%	7.8%	1.9%	10.4%	8.6%	1.8%
Average	**18.9%**	**15.2%**	**3.6%**	**20.5%**	**14.8%**	**5.7%**

High occupancy costs and e-commerce demand were the primary reasons behind the consolidation of retailers throughout Manhattan over the past two years. The investment strategy by retailers was to reduce their overall footprint throughout Manhattan by placing primary focus on fewer locations and expanding their internet presence. In 2019, the Manhattan retail market witnessed an increase in availability, albeit not as drastic as prior quarters. This impact was primarily among the more expensive retail corridors, given the overall pricing of the space and the finite number of users in the marketplace able to afford the aggregate rental figures along these corridors.

As pressure continued from e-commerce demand on brick and mortar retailing, concern amongst retailers continues to have an impact on vacancy rates. An increase in availability has caused landlords to recalibrate their leasing mind-set, and the retail market correction has introduced large concession packages as a vital role of leasing space within this market. This adaptation of landlords to offer creative and flexible deal structures in an attempt to draw retailers back to the market has fared well as of recent.

Pre-COVID shutdown, landlords continued to increase concession packages and create favorable lease terms that entice retailers back to the market. Based on our review of the market and discussions with active market participants, total compensation for retail tenants ranges between 3 to 24 months, and largely depends on the size and location of a suite. Smaller retail suites will traditionally receive a lower compensation due to the annual contract rent, which typically does not exceed $2.0 million per annum. Conversely, a larger retail suite along primary retail corridors

will receive concessions in the form of free rent and tenant improvements, and the total compensation ranges from 12 to 24 months.

However, in the fourth quarter of 2020, availability across all submarkets tracked increased by 370 basis points, which fell below anticipated availability increases. The submarkets impacted generally ranged from a 610-basis point rise in the Madison Avenue to a 100-basis point decrease in the Meatpacking District since the third quarter 2020.

The largest increases in availability rates since the first quarter in 2020 were seen in the SoHo, Times Square, Madison Avenue, the Flatiron District and Fifth Avenue. Retailers in these submarkets cater primarily to the tourist and office population, which have been impacted by working from home and travel restrictions implemented by the local and national government authority.

Construction

Non-essential construction in New York City was shut down as of the end of March in response to the COVID-19 pandemic. However, as of April 28th, construction sites throughout the city began to resume, under heighted health and safety restrictions.

Continuing off its momentum over the past two years, retail inventory increased in 2019 due to the completion of large-scale retail developments such as South Street Seaport's Pier 17 and the first phase of Essex Crossing. Despite the temporary shut-down, inventory is projected to increase throughout 2020 and 2021, due to the developments that are expected to enter the marketplace. A summary of the major recent and ongoing retail developments that will have an impact on the greater Manhattan retail market have been summarized on the following pages:

- The Howard Hughes Corporation finalized work for the transformation of the Seaport District Pier 17, which includes a one and a half-acre rooftop that can hold up to 4,000 people for concerts and special events. The new pier and revitalized historic area comprise more than 400,000 square feet of retail, dining, entertainment and commercial office space. The retail space will range from the ground to third floors. Jean-Georges Vongerichten will be the culinary anchor within the Seaport District with a 10,000-square-foot restaurant in the newly opened Pier 17 called The Fulton. Jean Georges also opened a 40,000-square-foot fresh food marketplace inside the Tin Building which underwent a reconstruction.
- The Shops & Restaurants at Hudson Yards is a 7-story, 676,229 square foot retail mall located on the east side of Tenth Avenue between 30th and 34th Streets and was developed by the Related Companies. The mall features direct connectivity to two of the adjacent commercial office towers within the Hudson Yards Complex, 10 and 30 Hudson Yards, and is located directly in front of the public space within the Hudson Yards subarea, which features the Vessel. The mall serves as the home to prominent

retailers such as: Cartier, Coach, Zara, H&M, Watches of Switzerland, Fendi, and many others. In addition, the Shops features many restaurants and food options for consumers such as Hudson Yards Grill, Bouchon Bakery, Shake Shack, Jack's Coffee, Dylan's Candy Bar, American Grill, Belcampo Meat Company, William Greenberg Jr. Desserts, and many others. The Shops have taken a unique approach to leasing space by signing leases with speculative tenants that have had historic success with exclusively on-line retail services, which have expressed interest in beginning a brick & mortar presence within the center. Furthermore, the Shops at Hudson Yards featured Neiman Marcus's first New York City retail store, which operated as the tenant's flagship for the region and the anchor for the center. The Shops & Restaurants at Hudson Yards opened to the public in March 2019. It should be noted that as a result of COVID-19, Neiman Marcus, the retail anchor in Hudson Yards, filed for Chapter 11 bankruptcy. It should be noted that as of October 2020, Neiman Marcus was able to successfully be approved to emerge from bankruptcy. Based on the percentage of the center that negotiated leases that have co-occupancy clauses dependent on Neiman Marcus's occupancy. As of the third quarter, Related has the entirety of the Neiman space on the market as they search for a new tenant, and the tenant will not re-open within the mall, which presents additional issues for Related if they are unable to successfully negotiate with existing tenants to relinquish their co-tenancy clauses. In addition, the onset of COVID-19 has forced the mall to close its doors to the public since March 2020, just one year after opening. As of the effective date of value, the mall is open.

- Nordstrom's flagship New York store is located within the base of a 95-story tower at 217-225 West 57th Street. The store spans approximately 320,000 square feet along the first eight floors of the building and opened in October 2019.

- Essex Crossing is a 2.0 million square foot, $1.1 billion development of a once-abandoned site located across 6 acres within Lower East Side neighborhood of Manhattan. Upon completion in 2024, the project will include 1,000 apartments available to low, moderate-, and middle-income residents, 450,000 square feet of retail, 400,000 square feet of office space, community attractions, and green spaces. The largest component of retail within the mega development is a 150,000 square foot market known as the Market Line, which will feature a variety of local vendors in a space similar to the Grand Bazaar in Istanbul, or Pike Place Market in Seattle. The Market Line is broken down into three phases: Phase I, II, and III. Phase I was completed at the end of 2018, and opened to the public in the first quarter of 2019, which houses a Grocery market. Phase II will serve as a Gallery that will contain various displays of art, clothing boutiques, and a live music venue, which is expected to be completed by the end of 2020. Lastly, Phase III will serve as the Eatery which will contain different foods, coffee, and drink vendors while also allowing customers to

enjoy their food on-site. Phase III is also expected to be completed sometime in 2021. However, it should be noted that the year-end completions may be impacted as a result of COVID-19.

- Manhattan West, another piece of the development rising on the Far West Side, looms on the horizon. The project, which stretches from Ninth to Tenth avenues and from 31st to 33rd Streets, will feature more than 200,000 SF of retail and a two-acre public plaza. Whole Foods and Peloton will anchor the ground floor retail, with Danny Meyer's Union Square Hospitality opening a restaurant on the plaza. The retail component of the Manhattan West development is anticipated to open in phases, which commenced in 2020 and is anticipated to achieve full completion in 2022.

- Located at 1568 Broadway, directly across the street from 701 Seventh Avenue, is the proposed development of 18 Times Square which will be known as TSX Broadway. The asset will feature a proposed, 47-story mixed-use 669-room, full-service lodging Hotel facility that will feature 11 levels of retail space at the base, a Broadway theater, and a 50' digital sign facing the heart of Times Square, with a retractable stage component on the third floor. The proposed development involves raising a historic landmarked Broadway theater up 30' to clear space for the multi-level retail space along Seventh Avenue with frontage directly across the street from Duffy Square. The retail/entertainment facility will anchor the base of the proposed mixed-use development featuring 11-levels of retail selling space, and a third floor event space that is proposed to be improved with a retractable stage that will cantilever over the Seventh Avenue sidewalk abutting the street. The multi-level retail podium will be branded as a unique flagship and retail branding opportunity for prospective retailers. The sub-cellar through second floors within the building will primarily be leased to traditional retail tenants seeking to maximize on the frontage of the property along Seventh Avenue, adjacent to the 49th Street MTA subway station. The fourth through eighth floors will primarily be leased to an IP attraction (Intellectual Property, a unique experiential retailer) that will seek to engage directly with consumers, providing a personalized experience with consumers. The fourth through eighth floors will be located behind the proposed state of the art LED signage component, which will wrap around the building from the 3rd to 8th floors. The signage will have excellent visibility and is proposed to be improved with a retractable stage located on third floor, opening directly to the TKTS booth and Duffy Square, the largest public plaza within the Bowtie, and the most trafficked corner within Times Square. The remainder of the upper floors will feature indoor and outdoor selling space, with terraces offering unprecedented views of Times Square neighborhood and the New York City Skyline. The development is proposed to be completed in 2021, which may be extended.

COVID Market Updates

- Despite healthy market activity for most of the first quarter, the onset of COVID-19 completely altered the trajectory of the market and early indicators are beginning to show the impact. By the end of April –five weeks following the start of social distancing– 26.5 million Americans across all industries filed for unemployment insurance claims.
- The national unemployment rate has seen little change since October, remaining between 6.4% and 6.8% over the past five months. New York City's unemployment rate, however, increased to 13.2% in February from the intra-COVID-19 low of 11.6% in December. While there have now been 82.3 million national weekly unemployment claims over the past year, the most recent four-week average of 736,000 claims is a pandemic-low. New York City office-using employment remains 8.3% below pre-pandemic totals, which represents a loss of 124,000 jobs. However, there was a month-over-month uptick of 9,100 jobs from January to February. Overall New York City payroll employment is down 13.6% from February 2020.
- Travel restrictions have all but stopped any tourism into New York City. Retailers located within NYC have historically benefited for the vast number of tourists each year as many shopping locations serve as major public attractions and destinations for visitors.
- Additional impact has been exhibited by apparel and entertainment brands that were struggling pre-COVID. Several notable retailers include, but are not limited to, J.Crew, Madewell, Gold's Gym, 24 Hour Fitness, GNC, Chuck E. Cheese, Lucky Brand, True Religion and Brooks Brothers. Major department stores appear to be one of the most impacted tenancy types, with major bankruptcies including Neiman Marcus, Lord & Taylor, JCPenny, Century21 and Anne Taylor's parent company, New York & Co. These tenants have highlighted the major national corporations that have recently filed for Chapter 11 Bankruptcy. According to an article posted by Business Insider on November 3rd, 37 major retailers have filed for bankruptcy YTD 2020, which is 10 more than the 27 companies that filed in 2019 and equal to the number exhibited over the economic cycle through 2009. However, as typical for Bankruptcy filings, a number of the listed retailers have won approval to emerge from Bankruptcy, recently including J. Crew and Madewell in August 2020 in addition to Neiman Marcus in September 2020. In addition, were aware that Brookfield Property Partners and Simon Property Group are entering into an asset purchase agreement to acquire J.C. Penny, and initial reports indicate that it expects to exit Chapter 11 bankruptcy ahead of the holiday season.
- In order to increase liquidity in the event of a prolonged recovery process and to capitalize on recent appreciation in the market, Reuters reported that U.S. public

companies sold approximately $60 billion in shares in May, which is the largest monthly overhaul in history. Similarly, in the debt market, approximately $1.0 trillion in new issuance has occurred in 2020, as of May 2020, as public and private companies aim to capitalize on record low interest rates. Most recently, Macy's raised $5.0 billion in debt to increase liquidity and avoid bankruptcy in response decreased sales from COVID-19.

- In response to the national pandemic, Tenants and Landlords have grappled with the need for rent relief and conversations have rallied around three major themes: full or partial short-term rent abatement, the renegotiation of deals to percentage rents, or a permanent reduction in rent. As further discussed in the Vacancy and Collection Loss section of this appraisal report, of the National Retail and Shopping Center REITS surveyed by Standard & Poors, 80% of tenants paid rent in all of 2020 and 86% of tenants paid rent in the fourth quarter. In response, major landlords have begun to establish retail rent relief funds, which will provide loans and join venture funding to struggling retailers in their properties. Most notably, Brookfield established a $5.0 billion fund, which will provide relief to existing retail tenants in exchange of a non-controlling stake in the tenant's company.
- Conversely, providers of essential goods and services are well-positioned in the wake of COVID-19. In addition, other strong industries include e-commerce and technology, in addition to brick-and-mortar retailers that had a strong omni-channel presence have remained successful and strengthened their brand recognition. Tenants with a long-term business model, financial security, and a devoted customer base are more likely to succeed in these uncertain times.
- The city's population movement improved from the fourth quarter, with weather improving and vaccinations becoming more readily available. One of the key drivers of mobility has been public transit ridership. While ridership levels remain between 50% and 65% below pre-pandemic levels, subway and bus ridership levels are up significantly from the low points recorded one year ago. Mobility has also improved, with schools reopening and the state raising capacity levels for restaurants in New York City.

Conclusion

While the permanent impact on consumer and tourist trends is tough to anticipate at this time, the current economic downturn is unique to previous recessions, as the apparent halt in economic growth appears to be a direct result of the widespread shutdown. Furthermore, the increase in e-commerce transactions will continue to hinder traditional retail sales figures, requiring landlords to become more creative than the traditional brick and mortar approach and retailers to continue to adjust their branding strategies. Due to the robust tourism and increasing consumer spending

trends prior to COVID-19 shutdowns, the long-term outlook appears positive, while the short-term outlook appears to be unclear as the market continues to adjust to the new mandates put in place.

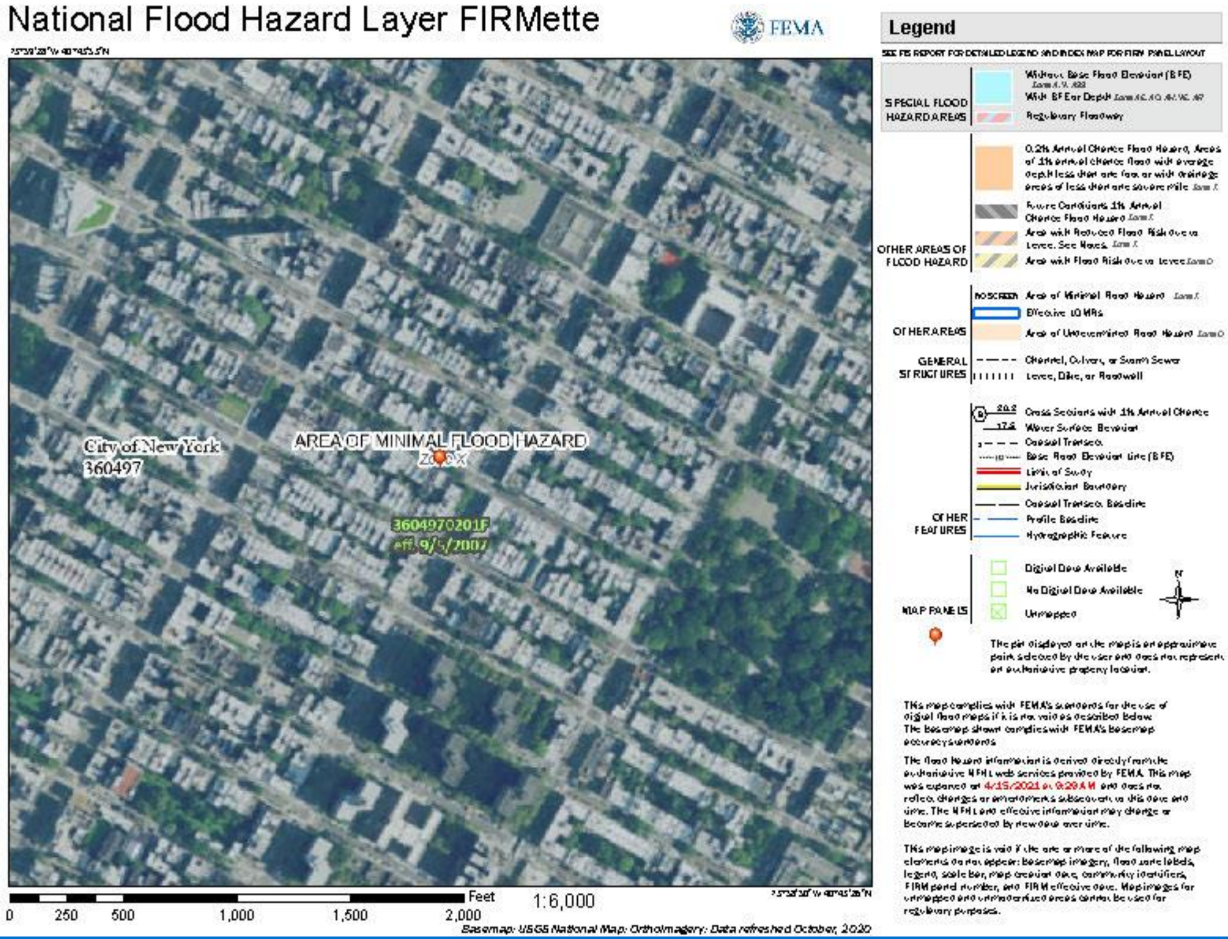
Based on our discussions with market participants, it is uncertain whether asking rent reductions in the first quarter are temporary adjustments or the sign of a permanent correction. As previously discussed, in order to increase overall tenant demand, landlords and brokers have become creative in lease creation, in the form of reduced initial rent that will escalate to pre-COVID levels. Furthermore, continued bankruptcies and store closures may continue to impact availability in the near-term, as landlords continue to Tenants and Landlords have grappled with the need for rent relief. In the event that more strenuous guidelines and restrictions are set forth by governments around the world to contain the spread of the virus, and avoid the phenomenon of spiked cases resulting what is called “second wave”, this may have further negative impact on the Manhattan retail market, and additional rent relief for tenants may be needed in order to reduce store closings in the near-term.

Future travel bans or restrictions may show cause for concern as the New York City retail landscape is largely dependent on tourism spending. However, it is still unclear as to what the future holds, and we therefore have assumed the retail market will experience no growth over the next two to three years as the market continues to feel the effects of the virus.

Land and Site Analysis

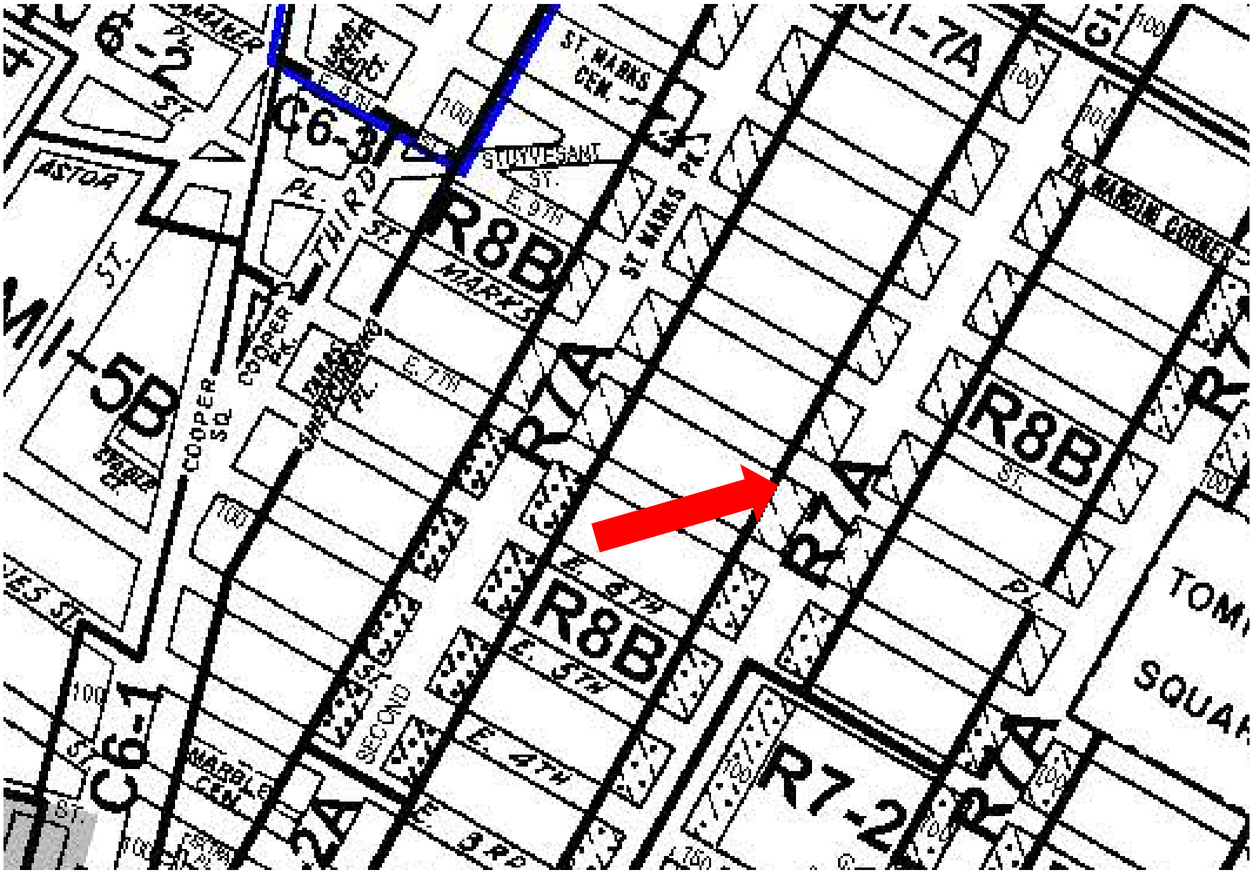
Tax Map

Source: City of New York



Flood Map

Source: www.fema.org



Zoning Map

Source: City of New York

Land Description	
Total Land Area	0.1119 Acres; 4,875 SF
Source of Land Area	Public Records
Site Characteristics	
Primary Street Frontage	St. Marks Place (50 FT)
Traffic Control at Entry	Traffic Light
Traffic Flow	Moderate
Accessibility Rating	Average
Visibility Rating	Average
Shape	Rectangular
Corner	No
Topography	Generally Level At Street Grade
Site Vegetation	Minimal
Easements / Encroachments	None
Environmental Hazards	None
Flood Zone Analysis	
Flood Area Panel Number	3604970201F
Date	9/5/2007
Zone	Zone X
Description	Area of minimal flood hazard, usually depicted on Flood Insurance
Insurance Required?	No
Utilities	
Utility Service Providers	
Water	City of New York
Sewer	City of New York
Electricity	Con Edison
Natural Gas	National Grid

Compiled by NKF

Easements, Encroachments and Restrictions

We were not provided a current title report to review. Further, there are identified exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

Environmental Issues

No environmental issues were observed or reported. NKF is not qualified to detect the existence of potentially hazardous issues such as soil contaminants, the presence of abandoned underground tanks, or other below-ground sources of potential site contamination. The existence of such substances may affect the value of the property. For this assignment, we have

specifically assumed that any hazardous materials that would cause a loss in value do not affect the subject.

Conclusion

Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. We are not aware of any other restrictions on development.

Zoning and Legal Restrictions

Zoning Summary	
Category	**Description**
Zoning Jurisdiction	City of New York
Zoning Designation	R7A with C1-5 Overlay
Description	Medium-Density Contextual Residence District
Legally Conforming?	Yes
Zoning Change Likely?	Unlikely
Permitted Uses	Commercial, Residential, and Community Facility
Maximum Floor Area Ratio	4.00
Allowable Building Area	19,500
Actual Gross Building Area	14,400
Parking Requirement	Waived for Manhattan Core
Other	None noted

Compiled by NKF

We are not experts in the interpretation of zoning ordinances. A qualified land use/zoning expert should be engaged if there are any zoning concerns or if a determination of compliance with zoning is required.

Conclusion

The subject is zoned for R7A with C1-5 Overlay residential district, which allows commercial use. The permitted uses are commercial, residential, and community facility developments.

Based off the maximum floor area ratio (FAR) under zoning and densities of similar sites, 19,500 square feet, also known as the zoning floor area, would be the maximum for the subject site. The zoning floor area does not include mechanical rooms, elevator shafts, stairwells, outdoor spaces, and possibly other areas under the zoning ordinance. The improvements on the subject site has a total gross building area of 14,400 square feet, which is within what is permitted by the current zoning for maximum bulk. The existing improvements are underbuilt. Therefore, the improvements are a legally conforming use with regard to maximum allowable bulk.

When accounting for the mechanical rooms, elevator shafts, stairwells and outdoor spaces that are not included in the subject's ZFA, the actual ZFA is approximately 95% of the GBA. As such, the subject's total zoning floor area is 13,680 SF. As noted above, based on the current zoning and the subject's actual GBA, the property has approximately 5,820 SF of excess development rights. The value of air rights is contingent upon the presence of a receiving site. There are potential receiver sites adjacent to the subject, but none currently showing any interest. As such, we have considered the value from the excess development rights in our capitalization rate selection.

Improvements Analysis

The subject of this appraisal consists of two 4-story, mixed-use buildings located at 78-80 St Marks Place in the East Village neighborhood of Manhattan. The improvements were constructed in 1920 and are situated on a 4,875 square-foot land parcel. The property is legally identified as Block 449, Lot 28. It has a gross building area of 14,400 square and a total net rentable area of 10,750 square feet. It features 3 residential units, all of which are market rate, and 3 commercial units. The residential unit mix consists of 1 studio unit, 1 one-bedroom unit, and 1 four-bedroom triplex unit. The residential net rentable area is 4,250 square feet with an average unit size is 1,417 square feet. The commercial component has a total net rentable area of 6,500 square feet, which includes partially below grade area (ground), parlor level, and second floor. All of the commercial spaces are currently owner-occupied, as well as the triplex residential unit. The subject was inspected on April 15, 2021, and was found to be in overall average condition.

The improvements are more fully described in the following table.

Improvements Description	
Component Structures	
Improvements (Structures)	Multifamily
General Improvement Type	Multifamily
Use Description	Walk-Up
No. Buildings	2
Total No. Units	6
Residential No. Units	3
Commercial No. Units	3
GBA (SF)	14,400
Net Rentable SF	10,750
Residential Rentable SF	4,250
Commercial Rentable SF	6,500
Residential Average Unit Size (SF)	1,417
Construction Status	Existing, Stabilized Operations
Construction Class	C
Quality	Average
Current Condition	Average
Age/Life Depreciation Analysis	
Year Built	1920
Year Renovated	None
Actual Age (Yrs.)	101
Economic Life (Yrs.)	60
Effective Age (Yrs.)	30
Remaining Economic Life (Yrs.)	30
Percent Depreciation	50.00%
Floor Area Analysis	
Number of Stories	4
Est. Ground Floor Area (GBA)	3,600
Attributed Site Area (SF)	1,393
Site Coverage	258.5%
Floor Area Ratio (FAR)	10.338
Unit Density (Units/Acre)	187.6
Land to Building Ratio	0.097
Construction Details	**Walk-Up**
Foundation	Poured Concrete
Basement	Poured Concrete
Structural Frame	Masonry
Exterior Walls	Brick
Windows	Double-Hung Aluminum
Roof	Flat, built-up assembly

Interior Finish	Walk-Up
Floors	Tile & Hardwood
Walls	Painted Plaster and/or Sheetrock
Ceilings	Painted Plaster and/or Sheetrock
Lighting	LED Fixtures
Engineering & Mechanical	**Walk-Up**
HVAC	Gas-fired boiler
Electrical	Assumed adequate
Plumbing	Assumed adequate
Utility Meters	Individually metered for in-unit electric
Elevators	0
Fire Sprinklers	No
Improvement Features and Amenities	Walk-Up
Property Amenities	None

Compiled by NKF

The landlord is responsible for common area utilities, heat, and hot water for the building. Tenants are individually metered for in-unit electricity and cooking gas.

Residential Unit Mix

Unit Mix

No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy
1	0 BR/1 BA Free Market - Outdoor - 850 SF	850	850	1	100.0%
1	0 BR Total	850	850	1	100.0%
1	1 BR/1 BA Free Market - 850 SF	850	850	1	100.0%
1	1 BR Total	850	850	1	100.0%
1	4 BR/4 BA Free Market -Outdoor - 2,550 SF	2,550	2,550	0	0.0%
1	4 BR Total	2,550	2,550	0	0.0%
3	Totals		4,250	2	
	Averages	1,417			66.7%

Compiled by NKF

Commercial Unit Mix

Occupancy Summary						
Type of Space (MLA Name)	Rentable Area (SF)	% Total	Leased (SF)	% Leased	Vacant (SF)	% Vacant
Theatre Retail Market	4,300	66.2%	0	0.0%	4,300	100.0%
Small Retail Market	1,100	16.9%	0	0.0%	1,100	100.0%
Second Floor Retail Market	1,100	16.9%	0	0.0%	1,100	100.0%
Total	6,500	100.0%	0	0.0%	6,500	100.0%

Compiled by NKF

Property Condition

Deferred Maintenance

Our observation of the property indicated no significant items of deferred maintenance.

Other Property Considerations

Functional Utility

Based on our inspection and consideration of its current and/or future use as well as review of individual floor plans and the overall complex, there do not appear to be any significant items of functional obsolescence.

ADA Compliance

Based on our observation as well as any information provided, no ADA compliance issues were noted. However, the client is advised to obtain review by a qualified professional versed in ADA compliance as we do not have expertise.

Planned Capital Expenditures

No planned capital expenditures in the near term were reported.

Personal Property

No personal property items were observed that would have any material contribution to market value.

Building Improvements Summary

The improvements are of average quality construction and are in average condition. The quality and condition of the subject is expected to be consistent with that of competing properties.

Conclusion

The existing improvements at the subject are considered to be of average quality construction and in overall average condition.

Real Estate Taxes

In the City of New York, real property within the five boroughs is given a tax class designation by the Department of Finance in conformance with the New York State Real Property Tax Law. The tax classes are as follows:

Class 1 – One- to three-unit residential properties.

Class 2 – Residential property with more than three units including cooperatives and condominiums.

Class 3 – Utility company equipment and special franchise property.

Class 4 – All other real property, including office buildings, factories, stores, hotels, and lofts.

Each tax classification has a specific tax rate that is established annually. The subject property is currently designated as Class 2. Real estate taxes and assessments for the current and next tax years are shown as follows.

Taxes and Assessments

Tax ID		Land	Improvements	Total	Tax Rate	Taxable Assessment	Total
2020/2021 Assessment							
Block: 449; Lot: 28	Actual Assessment	$152,087	$1,083,433	$1,235,520	12.267%	$1,235,520	$151,561
	Transitional Assessment	$152,087	$1,083,433	$1,235,520			
2021/2022 Tentative Assessed Value							
Block: 449; Lot: 28	Actual Assessment	$176,656	$1,157,706	$1,334,362	12.390%	$1,334,362	$165,323
	Transitional Assessment	$176,656	$1,157,706	$1,334,362			

Compiled by NKF

New York City tax assessments are annually reported on a fiscal year basis beginning July 1 through June 30. The real estate taxes for properties in Tax Class 2 are determined by the product of the smaller of the actual and transitional assessments and the tax rate. The transitional assessed value is based on a five-year phase-in of actual assessed value and is typically less than the actual assessment.

The subject property's real estate taxes are estimated by applying the Class 2 and 4 tax rates to the assessment. The 2020/2021 tax rate for a Class 2 property is $12.267 per $100 of assessed value. For 2021/2022 tax obligation, we increased the tax rate by 1.0%. This results in a 2021/2022 total tax obligation of $165,323.

Tax Comparables

The following comparables represent similar mixed-use buildings that will assist us in estimating the stabilized assessment for the subject's property.

Tax Comparables	1	2	3	4	5	Subject (Actual)
Property Name	53 First Avenue	201 Second Avenue	178 Bowery	125-29 West 3rd Street	93 Mac Dougal Street	78-80 St Marks Place
Year Built	1900	1920	1900	1919	1900	1920
Improvements SF	9,216	8,975	8,528	19,990	5,750	14,400
Units	8	9	8	10	8	
Total Assessed Value	$879,946	$834,553	$816,436	$1,804,483	$554,693	$1,334,362
Assessed Value/SF	$95.48	$92.99	$95.74	$90.27	$96.47	$92.66

Compiled by NKF

In estimating a stabilized assessment for the subject, we have analyzed assessments from similar property types in the area. The class 2 tax comparables have assessments which range from $90.27 PSF to $96.47 PSF and an average of $94.19 PSF. Based on the comparable assessments, we believe the current assessment is deemed reasonable.

Subject Tax Conclusion

Ad Valorem Tax Analysis - Improved Portion	Comparable Data		Conclusion
	Range	Average	
Total Assessed Value			$1,334,362
Total Assessed Value/SF	$90.27 - $96.47	$94.19	$92.66
Tax Rate			12.3897%
Actual / Pro Forma Taxes			$165,323
Reported Tax Delinquencies			None
Tax Exemptions or Abatements			None

Compiled by NKF

Highest and Best Use

As Vacant

Legally Permissible

The site is zoned R7A with C1-5 Overlay which allows for commercial, residential, and community facility development. Based on available data and analysis, no other legal restrictions such as easements or deed covenants are present which would impair the utility of the site. Given that surrounding properties have similar zoning and the future land use plan is focused on similar uses as well, it is unlikely that there would be a change of zoning classification. Further information and analysis about the legal restrictions to the subject property is included in the Site Analysis and Zoning and Legal Restrictions sections of this report.

Physically Possible

The subject site contains 4,875 square feet (0.112 acres), has favorable topography, adequate access, and all necessary utilities to support the range of legally permissible uses. No significant physical limitations were noted. The size of the site is typical for the categories of uses allowed under zoning. In total, the site is physically capable of supporting the legally permissible uses.

Financially Feasible

Of the legally permissible and physically possible uses, mixed use with apartments above and commercial at grade appears most probable based on observation of surrounding properties as well as the location. This use is more fully analyzed for their financial feasibility.

The following are relevant points related to the subject's market segment:

- Over the past year, there has been a moderate amount of new development.
- There have been several recent sales of similar properties in this market indicating good investor demand.

Maximally Productive

The test of maximum productivity is to determine the actual use of the property that results in the highest land value and/or the highest return to the land. It is important to consider the risk of potential uses as a use that may generate the highest returns in cash could also be the riskiest and thus not as likely for a developer to consider. In this case, the maximally productive use is a mixed-use development with apartments above and commercial at grade. The associated risk is typical and market conditions appear to be supportive.

Highest and Best Use Conclusion – As Vacant

The highest and best use of the subject as though vacant is the development of a mixed-use building with apartments above and commercial at grade.

As Improved

Legally Permissible

The existing mixed-use improvements are a legal, conforming use.

Physically Possible

The current improvements conform to the physical characteristics of the site. Therefore, continued mixed-use use of the property is reasonably probable and appropriate.

Financially Feasible

Financial feasibility focuses on positive and excess returns from the improved property. In this case, the subject is an income producing property and is capable of generating sufficient income to support the continuation of the use. This is demonstrated in the income capitalization approach by the fact that a positive income stream can be generated.

Maximally Productive

The existing mixed-use improvements are legally permissible, physically possible, and financially feasible. Under the current market condition, the concluded value as though improved does not exceed the value of the underlying land. However, upon the return of the market due to the pandemic impact, we believe the market value as though improved will exceed the value of the underlying land. Given no alternatives, the maximally productive use of the property is consistent with the existing mixed-use development.

Highest and Best Use – As Improved

Therefore, the highest and best use of the subject as improved is the existing mixed-use use. Market and economic conditions are supportive of this continued use. The most likely buyer would be a regional investor.

Appraisal Methodology

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the property units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Application of Approaches to Value

Approach	Comments
Cost Approach	The Cost Approach is not applicable and is not utilized in this appraisal.
Sales Comparison Approach	The Sales Comparison Approach is applicable and is utilized in this appraisal.
Income Capitalization Approach	The Income Capitalization Approach is applicable and is utilized in this appraisal.

Compiled by NKF

The cost approach was not used because the age and condition of the improvements makes depreciation highly speculative. More significantly, however, market participants considering properties like the subject do not give consideration to the cost approach. The exclusion of this approach is not considered to impact the reliability of the appraisal. Although we did not include a Cost Approach, we included an insurable value for the property and at the request of the client, we have included the value of the underlying land.

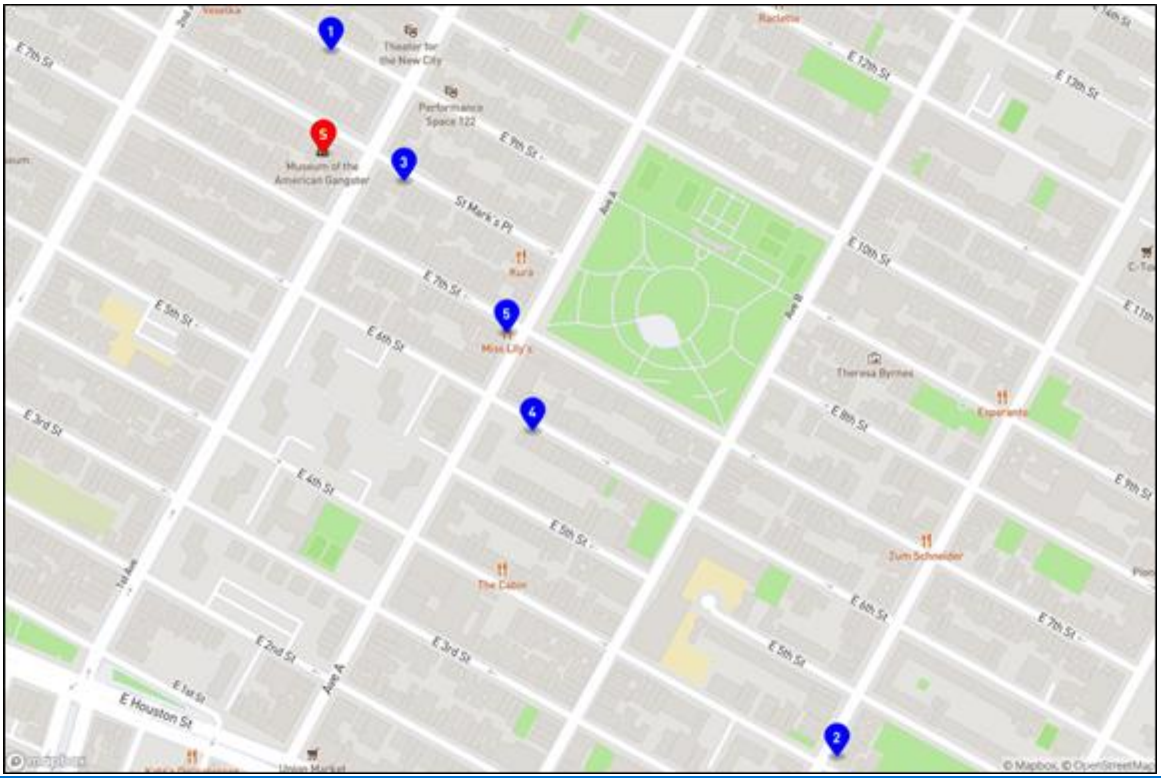
Sales Comparison Approach

To determine the improved portion of the subject property, we look to other improved sale comparables in neighboring area.

The sales comparison approach value is derived by analyzing closed sales, listings, or pending sales of properties that are similar to the subject. The sales comparison approach includes the following steps.

- Research and verify information on properties in the competitive market that are similar to the subject and that have recently sold, are listed for sale, or are under contract.
- Select the most relevant units of comparison in the market and develop a comparative analysis.
- Examine and quantify via adjustments differences between the comparable sales and the subject property using all appropriate elements of comparison.
- Reconcile the various value indications to a value bracket and then a single value indication.

The unit of comparison applied in this sales comparison analysis is price per square foot as it mirrors the primary comparison method used by market participants.



Comparable Map

Comparable Sales Summary						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Name	78-80 St Marks Place	340 East 9th Street	54 Avenue C	94 Saint Marks Place	506 East 6th Street	109 Avenue A
Address	78-80 St Marks Place	340 East 9th Street	54 Avenue C	94 Saint Mark's Place	506 East 6th Street	109 Avenue A
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Land Size	0.11 Acres	0.05 Acres	0.03 Acres	0.04 Acres	0.06 Acres	0.05 Acres
Gross Building Area (SF)	14,400 SF	7,299 SF	6,929 SF	7,020 SF	6,825 SF	16,581 SF
Year Built (Renovated)	1920	1900 (2005)	1900	1900 (1986)	1920 (1987)	1908 (2012)
Occupancy/Owner Occ.	95%	100%	100%	100%	100%	100%
Condition	Average	Average	Average	Average	Average	Average
Buyer	--	Keystone 340 East Ninth	303 East 4th Street LLC	CRG-94STMARKS LLC	AAIC 506 LLC/LR 506 LLC	Tompkins Square
Seller	--	340 E. 9th Street Property INC.	303 E 4th Realty, LLC	94 St Marks LLC	East 24th Street Holding Co. LLC	Park Corner Development LLC
Interest Conveyed	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Competitive Class	Class C	Class C	Class C	Class C	Class C	Class C
Transaction Status	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Feb-21	Nov-20	Aug-20	Aug-20	Feb-20
Price	--	$5,975,000	$3,672,530	$8,500,000	$3,950,000	$20,750,000
Price per SF	--	$818.61	$530.02	$1,210.83	$578.75	$1,251.43
NOI/SF	$41.34	$50.10	$33.13	$66.60	$30.10	$56.69
Cap Rate	--	6.12%	6.25%	5.50%	5.20%	4.53%

Compiled by NKF

Comparable One

Comparable Two

Comparable Three

Comparable Four

Comparable Five

Analysis of Improved Comparable Data

COVID-19 Market Conditions

While there is some decline in value as evidenced by the changes in market assumptions, it will be different for each property depending on many factors including cash flow/tenancy and location, and thus could range anywhere from 0% to 20%. Although the adjustment is speculative, we have applied a 5% downward adjustment to the pre-COVID sales to reflect the additional risk in the marketplace.

Comparable One

Sale Comparable One represents the February 2021 sale of a 10 unit walk-up property located at 340 East 9th Street, New York City, New York. This is the sale of a walk-up building with 10 units. The units all have 2 bedroom and 2 bathrooms and include one rent stabilized unit and nine market rate units. The seller was represented by Bryan Hurley and Michael DeCheser of Cushman & Wakefield.

A downward adjustment was warranted for size due to smaller gross building area in comparison to the subject property. There is an inverse relationship between size and unit price. With regard to commercial, an upward adjustment was deemed appropriate. This is due to lack of commercial space. A downward adjustment was applied for economic characteristics due to the comparable's superior income producing potential, as a result of 90% of its units being free market. Net upward property adjustments were indicated. Combining transaction and property adjustments, results in a price per SF indication of $818.61.

Comparable Two

Sale Comparable Two represents the November 2020 sale of a 10 unit mid/high rise property located at 54 Avenue C, New York City, New York. This is the sale of a 5-story, walk-up mixed-use apartment building containing 8 residential units and 2 ground-floor retail units. Of the 8 residential units, 3 are rent stabilized.

We have applied an upward adjustment to this comparable for location due to its inferior location towards the east portion of Alphabet City. A downward adjustment was warranted for size due to smaller gross building area in comparison to the subject property. There is an inverse relationship between size and unit price. With regard to commercial, an upward adjustment was deemed appropriate. This is due to smaller commercial component. An upward adjustment was applied for economic characteristics due to the comparable's inferior income producing potential, as a result of 62.5% of its units being free market. Net upward property adjustments were indicated. Combining transaction and property adjustments, results in a price per SF indication of $689.03.

Comparable Three

Sale Comparable Three represents the August 2020 sale of a 10 unit walk-up property located at 94 Saint Mark's Place, New York, New York. This is the sale of a 5-story, walk-up apartment

building containing 10 residential units and 3 retail spaces. Of the 10 residential units, one is rent stabilized. The property was not marketed by a broker.

A downward adjustment was warranted for size due to smaller gross building area in comparison to the subject property. There is an inverse relationship between size and unit price. A downward adjustment was applied for economic characteristics due to the comparable's superior income producing potential. Net downward property adjustments were indicated. Combining transaction and property adjustments, results in a price per SF indication of $908.12.

Comparable Four

Sale Comparable Four represents the August 2020 sale of a 14 unit walk-up property located at 506 East 6th Street, New York, New York. This is the sale of a 5-story walk-up apartment building containing 14 residential units. Of the 14 residential units, 10 are free market and 4 are rent stabilized.

A downward adjustment was warranted for size due to smaller gross building area in comparison to the subject property. There is an inverse relationship between size and unit price. With regard to commercial, an upward adjustment was deemed appropriate. This is due to lack of commercial space. An upward adjustment was applied for economic characteristics due to the comparable's inferior income producing potential, as a result of 60.0% of its units being free market. Net upward property adjustments were indicated. Combining transaction and property adjustments, results in a price per SF indication of $752.38.

Comparable Five

Sale Comparable Five represents the February 2020 sale of an 8 unit mid/high rise property located at 109 Avenue A, New York, New York. This is the sale of a 7-story elevator apartment building containing 5 residential units, 2 retail units, and 1 office unit. All of the residential units are market rate. The building was recently gut renovated.

A downward adjustment was applied for economic characteristics due to the comparable's superior income producing potential. Net downward property adjustments were indicated. Combining transaction and property adjustments, results in a price per SF indication of $951.09.

Based on our comparative analysis, the following table summarizes the adjustments warranted to each comparable.

Comparable Sales Adjustment Grid

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Name	78-80 St Marks Place	340 East 9th Street	54 Avenue C	94 Saint Marks Place	506 East 6th Street	109 Avenue A
Address	78-80 St Marks Place	340 East 9th Street	54 Avenue C	94 Saint Mark's Place	506 East 6th Street	109 Avenue A
City	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Land Size	0.11 Acres	0.05 Acres	0.03 Acres	0.04 Acres	0.06 Acres	0.05 Acres
Size (Rentable Area)	14,400 SF	7,299 SF	6,929 SF	7,020 SF	6,825 SF	16,581 SF
Year Built (Renovated)	1920	1900 (2005)	1900	1900 (1986)	1920 (1987)	1908 (2012)
NOI/SF	$41.34	$50.10	$33.13	$66.60	$30.10	$56.69
Transaction Type	--	Closed	Closed	Closed	Closed	Closed
Transaction Date	--	Feb-21	Nov-20	Aug-20	Aug-20	Feb-20
Actual Sale Price	--	$5,975,000	$3,672,530	$8,500,000	$3,950,000	$20,750,000
Price per SF	--	$818.61	$530.02	$1,211	$578.75	$1,251
Occupancy	95%	100%	100%	100%	100%	100%
Cap Rate	--	6.12%	6.25%	5.50%	5.20%	4.53%
Transaction Adjustments						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Market Conditions (Time)	4/1/2022	0%	0%	0%	0%	-5%
Subtotal		0%	0%	0%	0%	-5%
Subtotal Price per SF		$818.61	$530.02	$1,211	$578.75	$1,189
Property Adjustments						
Location		0%	5%	0%	0%	0%
Size		-5%	-5%	-5%	-5%	0%
Age/Condition		0%	0%	0%	0%	0%
Features/Amenities		0%	0%	0%	0%	0%
Commercial		10%	5%	0%	10%	0%
Economic Characteristics		-5%	25%	-20%	25%	-20%
Other		0%	0%	0%	0%	0%
Subtotal		0%	30%	-25%	30%	-20%
Gross Adjustment		**20%**	**40%**	**25%**	**40%**	**25%**
Overall Adjustment		**0%**	**30%**	**-25%**	**30%**	**-24%**
Indicated Price per SF		**$818.61**	**$689.03**	**$908.12**	**$752.38**	**$951.09**

Compiled by NKF

Multifamily Sales Adjustment Summary

Price per SF	Low	High	Average
Unadjusted Range	$530.02	$1,251	$877.93
Adjusted Range	$689.03	$951.09	$823.84
Concluded Price per SF Indication			$825.00

Compiled by NKF

Sales Comparison Approach Conclusion

To arrive at an indication of value, we placed equal emphasis on all of the sales.

Sales Comparison Approach Conclusion			
Reconciliation of Price per SF Indication			**Value Indication**
Adjusted Value Range - Low			$689.03
Adjusted Value Range - High			$951.09
Reconciled As Stabilized Value - Price per SF	Effective Date:	4/1/2022	$825.00
Gross Building Area			14,400
Reconciled As Stabilized Value - Price per SF Analysis			$11,880,000
Reconciled As Stabilized Value - Sales Comparison Approach	Effective Date:	4/1/2022	$11,880,000

Value Indications			
As Is			**Value Indication**
As Stabilized Value as of Current Date	Effective Date:	4/15/2021	$11,547,626
Commercial Tenant Improvements			($650,000)
Commercial Leasing Costs			($396,526)
Commercial Free Rent			($345,750)
Commercial Downtime			($691,500)
COVID-19 Concession			($46,158)
As Is Value	Effective Date:	4/15/2021	$9,417,692
Rounded			**$9,400,000**

Compiled by NKF

Adjustments to Value

Collection losses due to the COVID-19 pandemic have been accounted for based on the immediate area's Average Household Income (AHI). For the subject property, the ¼-mile radius AHI is $110,627 annually as per ESRI data compiled in the neighborhood analysis section of this report. The income group (AHI above $100,000), represents mostly jobs which have been less impacted by lay-offs. As such, we estimate 10% of the subject's residential rent will be impacted by increased collection losses for 6 months.

Owners in the marketplace that were surveyed indicated that a number of commercial tenants have been requesting partial or full rent abatement to consider the lack of income generation for these tenants, which owners have been positively responding to in order to combat the potential for widespread vacancy. The representative for the subject property also indicated that the commercial tenant received partial and full rent abatement in 2020. Many owners have indicated that in exchange, tenants are willing to either extend their lease term to consider the time rent will be abated, or amortize the abated rent with a certain interest for accrued rent over the remainder of the tenants lease term. In order to consider the potential for tenant bankruptcy or lease re-negotiation we have doubled the vacancy assumption for the first year of the analysis period.

As these losses are considered to be short term, we do not capitalize the increased collection losses into perpetuity. Instead we make the deduction below the net operating line and apply it to the as is value under all approaches to value. Our collection loss adjustment is as follows:

COVID-19 Vacancy & Collection Loss

Component	Annual Rental Income	Monthly Rental Income	x	No. Months	x	V & CL	Total Concessions
Residential	$231,660	$19,305		6		10%	$11,583
Commercial	$691,500					5%	$34,575
Total							$46,158

Compiled by NKF

Residential Lease-Up Costs

Our conversations with representatives of ownership have indicated that they are currently offering between one and two months of free rent for new leases. We have projected temporary residential rental concessions for the subject's free market units for a period of three years due to the market trends and fall-out from the COVID-19 pandemic. Please note, we have considered no rent growth in year-two. The present value of the subject's residential rent concessions is presented in the chart below:

Residential Rent Concessions

Component	Annual Potential Rental Income	Monthly Potential Rental Income	No. of Months Concession	Concessions
Yr 1	$231,660	$19,305	2	$38,610
Yr 2	$231,660	$19,305	1	$19,305
Yr 3*	$238,610	$19,884	0.5	$9,942
Total				$67,857
NPV @ Discount Rate of 6.0%				$61,953
Rounded				**$50,000**

* We have grown rent by 3.0% in year 3. We have projected no rent growth in year two due to the current economic conditions.

Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

The direct capitalization method is normally more appropriate for properties with relatively stable operating histories and expectations. The DCF analysis is more appropriate for investment properties with multiple or long-term leases, particularly leases with cancellation clauses or renewal options, and especially in volatile markets.

In this analysis, we utilized only direct capitalization because investors and market participants typically rely more on this method.

Residential Tenant Overview

A summary rent roll for the property is shown below, based on our review of the owner's rent roll. Market rent will be developed below.

Unit Mix

No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Market Rent	Market Rent PSF
1	0 BR/1 BA Free Market - Outdoor - 850 SF	850	850	1	100.0%	$3,605	$3,967	$56.00
1	0 BR Total	850	850	1	100.0%	$3,605	$3,967	$56.00
1	1 BR/1 BA Free Market - 850 SF	850	850	1	100.0%	$2,950	$3,825	$54.00
1	1 BR Total	850	850	1	100.0%	$2,950	$3,825	$54.00
1	4 BR/4 BA Free Market -Outdoor - 2,550 SF	2,550	2,550	0	0.0%	$0	$12,750	$60.00
1	4 BR Total	2,550	2,550	0	0.0%	$0	$12,750	$60.00
3	Totals		4,250	2				
	Averages	1,417			66.7%	$3,278	$6,847	$58.00

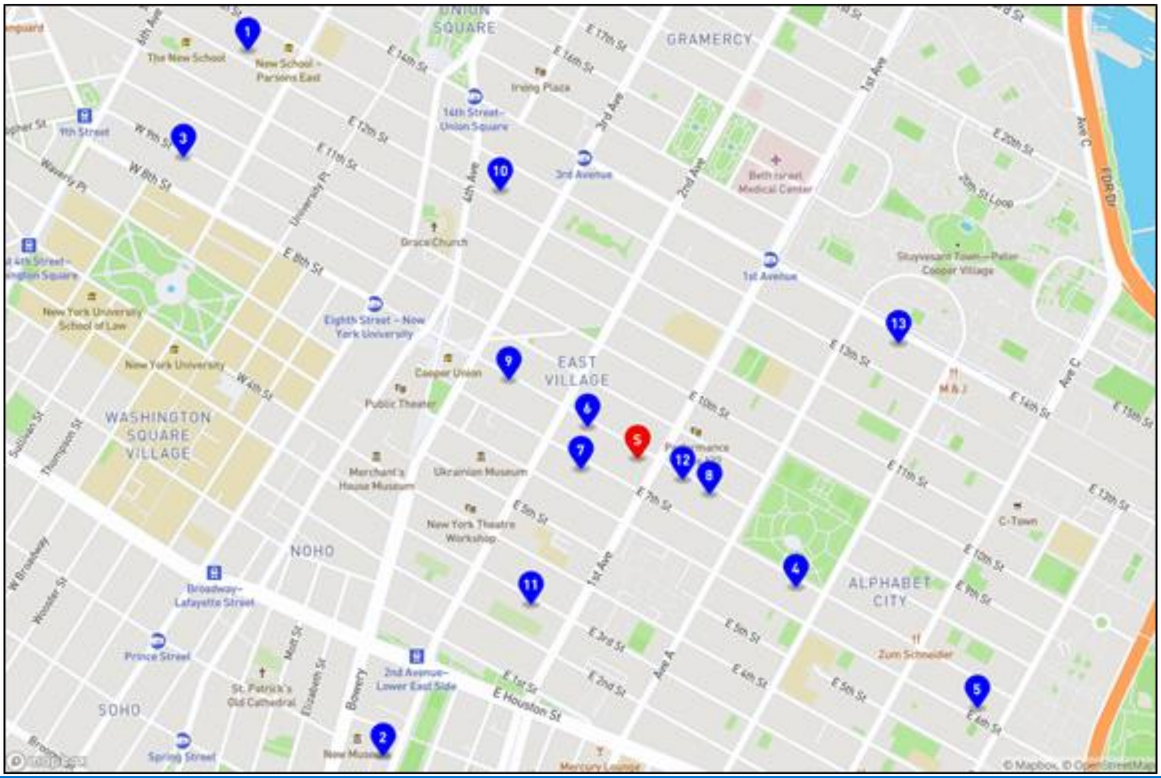
Compiled by NKF

- All of the residential units are market rate.
- The four-bedroom unit is currently owner-occupied. Therefore, we considered this unit as vacant.

Market Rent Analysis

In estimating market rent for the subject property, we considered data and opinions from the following:

- Leasing activity with competing properties;
- Market area leasing trends; and
- opinions of market rent derived from our interviews of leasing agents active in the local market.



Comparable Map

No.	Name	Address
Subject	78-80 St Marks Place	78-80 St Marks Place, New York, NY 10003
1	23 West 12th Street	23 West 12th Street, New York, NY
2	191 Chrystie Street	191 Chrystie Street, New York, NY
3	20 West 9th Street	20 West 9th Street, New York, NY
4	168-170 East 7th Street	168-170 East 7th Street, New York, NY
5	743 East 6th Street	743 East 6th Street, New York, NY
6	46 Saint Mark's Place	46 Saint Mark's Place, New York, NY
7	60 East 7th Street	60 East 7th Street, New York, NY
8	118 Saint Mark's Place	118 Saint Mark's Place, New York, NY
9	16 Saint Mark's Place	16 Saint Mark's Place, New York, NY
10	111 East 12th Street	111 East 12th Street, New York, NY
11	78 East 3rd Street	78 East 3rd Street, New York, NY
12	100 Saint Mark's Place	100 Saint Mark's Place, New York, NY
13	520 East 14th Street	520 East 14th Street, New York, NY

Compiled by NKF

Studio Unit

Comparable Rentals Summary						
0 BR/1 BA Free Market - Outdoor - 850 SF	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	78-80 St Marks Place	100 Saint Mark's Place	111 East 12th Street	78 East 3rd Street	520 East 14th Street	168-170 East 7th Street
Address	78-80 St Marks Place	100 Saint Mark's Place	111 East 12th Street	78 East 3rd Street	520 East 14th Street	168-170 East 7th Street
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Definition of Units	Apt. Units	Apt. Units	Apt. Units	Apt. Units	Apt. Units	Apt. Units
Number of Units	3	20	10	20	44	20
Year Built (Renovated)	1920	1900 (2018)	1900	1910	1900 (2011)	1911 (1987)
Number of Stories	6	5	6	4	6	5
Condition	Average	Good	Average	Average	Good	Average
Rental Survey Information						
Survey Date		Apr-21	Apr-21	Apr-21	Apr-21	Apr-21
Occupancy at Survey	67%	95%	100%	75%	89%	95%
0 BR/1 BA Free Market - Outdoor - 850 SF Unit Comparison						
Unit Size	850 SF	425 SF	650 SF	350 SF	450 SF	475 SF
No. Units	1	1	1	2	1	1
Unit Occupancy	100%	100%	100%	100%	100%	100%
Unit Contract Rent	$3,605	$2,100	$3,650	$2,150	$2,233	$2,400
Unit Rent Per SF	$50.89	$59.29	$67.38	$73.71	$59.55	$60.63

Compiled by NKF

The following table summarizes the adjustments made to each comparable.

Comparable Rentals Adjustment Grid						
0 BR/1 BA Free Market - Outdoor - 850 SF	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	78-80 St Marks Place	100 Saint Mark's Place	111 East 12th Street	78 East 3rd Street	520 East 14th Street	168-170 East 7th Street
Address	78-80 St Marks Place	100 Saint Mark's Place	111 East 12th Street	78 East 3rd Street	520 East 14th Street	168-170 East 7th Street
Unit Size	850 SF	425 SF	650 SF	350 SF	450 SF	475 SF
Unit Occupancy	100%	100%	100%	100%	100%	100%
Unit Asking Rent	$3,605	$2,100	$3,650	$2,150	$2,233	$2,400
Unit Rent Per SF	$50.89	$59.29	$67.38	$73.71	$59.55	$60.63
Financial Adjustments						
Expense Structure ($ Adjustment)		$0.00	$0.00	$0.00	$0.00	$0.00
Expense Structure		0%	0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%	0%
Physical Adjustments						
Location/Access/Exposure		0%	-5%	0%	5%	5%
Size		-20%	-10%	-25%	-20%	-20%
Age/Condition		0%	0%	0%	0%	0%
Features/Amenities		5%	5%	5%	5%	5%
Quality		0%	0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%	0%
Other		0%	0%	0%	0%	0%
Subtotal		-15%	-10%	-20%	-10%	-10%
Overall Adjustment		-15%	-10%	-20%	-10%	-10%
Adjusted Rent Per SF		$50.40	$60.65	$58.97	$53.59	$54.57
Range of Adjusted Rents	$50.40 - $60.65					
Average	$55.64					
Indicated Rent Per SF	$56.00					
Indicated Rent Per Unit	$3,965					

Compiled by NKF

- The subject features 1 free-market studio unit with monthly rent of $50.89 per square foot.
- Comparables 2, 4, and 5 were adjusted for inferior/superior locations.
- Typical studio units in the subject area average below 500 square feet. The subject unit is far larger than most comparable studio units. All of the comparables were adjusted downward as there is an inverse relationship to size and unit price.
- The subject unit features a private outdoor area. All of the comparables were adjusted upward for the lack of outdoor space.
- Market rent for the subject's two-bedroom unit is estimated to be $56.00 per square foot, which gives primary weight to recent leasing within the subject. Our estimate is well supported by the comparable range.

One-Bedroom Unit

Comparable Rentals Summary							
1 BR/1 BA Free Market - 850 SF	**Subject**	**Comparable 1**	**Comparable 3**	**Comparable 4**	**Comparable 6**	**Comparable 7**	**Comparable 8**
Property Name	78-80 St Marks Place	46 Saint Mark's Place	118 Saint Mark's Place	16 Saint Mark's Place	60 East 7th Street	78 East 3rd Street	168-170 East 7th Street
Address	78-80 St Marks Place	46 Saint Mark's Place	118 Saint Mark's Place	16 Saint Mark's Place	60 East 7th Street	78 East 3rd Street	168-170 East 7th Street
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Definition of Units	Apt. Units	Apt. Units	Apt. Units	Demised Units	Apt. Units	Apt. Units	Apt. Units
Number of Units	3	8	8	20	10	20	20
Year Built (Renovated)	1920	1940 (1986)	1900 (1986)	1900	1920	1910	1911 (1987)
Number of Stories	6	5	5	5	5	4	5
Condition	Average	Average	Average	Average	Average	Average	Average
Rental Survey Information							
Survey Date		Apr-21	Apr-21	Apr-21	Apr-21	Apr-21	Apr-21
Occupancy at Survey	67%	100%	100%	89%	90%	75%	95%
1 BR/1 BA Free Market - 850 SF Unit Comparison							
Unit Size	850 SF	700 SF	500 SF	500 SF	700 SF	425 SF	650 SF
No. Units	1	1	1	2	1	2	1
Unit Occupancy	100%	100%	100%	100%	100%	100%	100%
Unit Asking Rent	$2,950	$2,995	$2,950	$2,500	$3,100	$2,600	$3,320
Unit Rent Per SF	$41.65	$51.34	$70.80	$60.00	$53.14	$73.41	$61.29

Compiled by NKF

The following table summarizes the adjustments made to each comparable.

Comparable Rentals Adjustment Grid							
1 BR/1 BA Free Market - 850 SF	**Subject**	**Comparable 1**	**Comparable 3**	**Comparable 4**	**Comparable 6**	**Comparable 5**	**Comparable 6**
Property Name	78-80 St Marks Place	46 Saint Mark's Place	118 Saint Mark's Place	16 Saint Mark's Place	60 East 7th Street	78 East 3rd Street	168-170 East 7th Street
Address	78-80 St Marks Place	46 Saint Mark's Place	118 Saint Mark's Place	16 Saint Mark's Place	60 East 7th Street	78 East 3rd Street	168-170 East 7th Street
Unit Size	850 SF	700 SF	500 SF	500 SF	700 SF	425 SF	650 SF
Unit Occupancy	100%	100%	100%	100%	100%	100%	100%
Unit Asking Rent	$2,950	$2,995	$2,950	$2,500	$3,100	$2,600	$3,320
Unit Rent Per SF	$41.65	$51.34	$70.80	$60.00	$53.14	$73.41	$61.29
Financial Adjustments							
Expense Structure ($ Adjustment)		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expense Structure		0%	0%	0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%	0%	0%
Physical Adjustments							
Location/Access/Exposure		0%	0%	0%	0%	0%	5%
Size		-5%	-15%	-15%	-5%	-20%	-10%
Age/Condition		0%	0%	0%	0%	0%	0%
Features/Amenities		0%	0%	0%	0%	0%	0%
Quality		0%	0%	0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%	0%	0%
Other		0%	0%	0%	0%	0%	0%
Subtotal		-5%	-15%	-15%	-5%	-20%	-5%
Overall Adjustment		-5%	-15%	-15%	-5%	-20%	-5%
Adjusted Rent Per SF		$48.78	$60.18	$51.00	$50.49	$58.73	$58.23
Range of Adjusted Rents	$48.78 - $60.18						
Average	$54.57						
Indicated Rent Per SF	$54.00						
Indicated Rent Per Unit	$3,825						

Compiled by NKF

- The subject features 1 free-market one-bedroom unit with monthly rent of $41.65 per square foot.
- Comparable 6 was adjusted for inferior location.
- Typical one-bedroom units in the subject area average below 750 square feet. The subject unit is larger than most comparable one-bedroom units. All of the comparables were adjusted downward as there is an inverse relationship to size and unit price.
- Market rent for the subject's one-bedroom unit is estimated to be $54.00 per month, which gives primary weight to recent leasing within the subject. Our estimate is well supported by the comparable range.

Four-Bedroom Unit

Comparable Rentals Summary					
4 BR/4 BA Free Market -Outdoor - 2,550 SF	**Subject**	**Comparable 1**	**Comparable 2**	**Comparable 3**	**Comparable 4**
Property Name	78-80 St Marks Place	23 West 12th Street	191 Chrystie Street	20 West 9th Street	743 East 6th Street
Address	78-80 St Marks Place	23 West 12th Street	191 Chrystie Street	20 West 9th Street	743 East 6th Street
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Definition of Units	Apt. Units	Apt. Units	Apt. Units	Apt. Units	Apt. Units
Number of Units	3	4	7	6	2
Year Built (Renovated)	1920	1900	1920 (2006)	1845	1940
Number of Stories	6	4	6	4	3
Condition	Average	Average	Good	Average	Average
Rental Survey Information					
Survey Date		Apr-21	Apr-21	Apr-21	Apr-21
Occupancy at Survey	67%	100%	86%	100%	100%
4 BR/4 BA Free Market -Outdoor - 2,550 SF Unit Comparison					
Unit Size	2,550 SF	1,870 SF	3,078 SF	2,400 SF	1,650 SF
No. Units	1	1	1	1	1
Unit Occupancy		100%	100%	100%	100%
Unit Asking Rent		$9,995	$11,000	$17,500	$10,828
Unit Rent Per SF		$64.14	$42.88	$87.50	$78.75

Compiled by NKF

The following table summarizes the adjustments made to each comparable.

Comparable Rentals Adjustment Grid					
4 BR/4 BA Free Market -Outdoor - 2,550 SF	**Subject**	**Comparable 1**	**Comparable 2**	**Comparable 3**	**Comparable 4**
Property Name	78-80 St Marks Place	23 West 12th Street	191 Chrystie Street	20 West 9th Street	743 East 6th Street
Address	78-80 St Marks Place	23 West 12th Street	191 Chrystie Street	20 West 9th Street	743 East 6th Street
Unit Size	2,550 SF	1,870 SF	3,078 SF	2,400 SF	1,650 SF
Unit Occupancy		100%	100%	100%	100%
Unit Asking Rent		$9,995	$11,000	$17,500	$10,828
Unit Rent Per SF		$64.14	$42.88	$87.50	$78.75
Financial Adjustments					
Expense Structure ($ Adjustment)		$0.00	$0.00	$0.00	$0.00
Expense Structure		0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%
Market Conditions (Time)		0%	0%	0%	0%
Subtotal		0%	0%	0%	0%
Physical Adjustments					
Location/Access/Exposure		-5%	5%	-5%	5%
Size		-20%	15%	-5%	-30%
Age/Condition		0%	0%	0%	0%
Features/Amenities		5%	5%	-10%	-10%
Quality		0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%
Other		5%	5%	0%	10%
Subtotal		-15%	30%	-20%	-25%
Overall Adjustment		-15%	30%	-20%	-25%
Adjusted Rent Per SF		$54.52	$55.75	$70.00	$59.06
Range of Adjusted Rents	$54.52 - $70.00				
Average	$59.83				
Indicated Rent Per SF	$60.00				
Indicated Rent Per Unit	$12,750				

Compiled by NKF

- The subject features 1 free-market four-bedroom unit, which is currently owner occupied.
- Due to the lack of four bedroom comparables, we included three-bedroom rental units in our comparable set.

- Comparables 2 and 4 were adjusted for inferior locations, while Comparables 1 and 3 were adjusted downward for superior location.
- All of the comparables were adjusted downward/upward for size. There is an inverse relationship to size and unit price.
- Market rent for the subject's four-bedroom unit is estimated to be $60.00 per square foot. Our estimate is well supported by the comparable range.

Individual Unit Type Analysis

Unit Rent Adjustment Summary and Conclusions

Subject Unit Type	Subject Asking Rates	Min Contract	Max Contract	Average Contract	Comparables Indicators Min	Comparables Indicators Max	Comparables Indicators Average	NKF Market Rent Estimate $/SF	NKF Market Rent Estimate $/Unit
0 BR/1 BA Free Market - Outdoor - 850 SF	$4.24	$50.89	$50.89	$50.89	$59.3	$73.7	$64.1	$56.00	$3,967
1 BR/1 BA Free Market - 850 SF	$3.47	$41.65	$41.65	$41.65	$51.3	$73.4	$61.7	$54.00	$3,825
4 BR/4 BA Free Market -Outdoor - 2,550 SF	$0.00			$0.0000	$42.9	$87.5	$68.3	$60.00	$12,750

Compiled by NKF

Market Rent Conclusions

The following is a summary of the subject's unit mix and our market rent conclusions based on our analysis of the subject rent roll and comparable market data detailed in the preceding.

Unit Mix

No. Units	Unit Description	Unit Size (SF)	Rentable Area (SF)	Occupied Units	Unit Occupancy	Avg. Contract Rent	Market Rent	Market Rent PSF
1	0 BR/1 BA Free Market - Outdoor - 850 SF	850	850	1	100.0%	$3,605	$3,967	$56.00
1	0 BR Total	850	850	1	100.0%	$3,605	$3,967	$56.00
1	1 BR/1 BA Free Market - 850 SF	850	850	1	100.0%	$2,950	$3,825	$54.00
1	1 BR Total	850	850	1	100.0%	$2,950	$3,825	$54.00
1	4 BR/4 BA Free Market -Outdoor - 2,550 SF	2,550	2,550	0	0.0%	$0	$12,750	$60.00
1	4 BR Total	2,550	2,550	0	0.0%	$0	$12,750	$60.00
3	Totals		4,250	2				
	Averages	1,417			66.7%	$3,278	$6,847	$58.00

Compiled by NKF

Gross Income Estimate

Potential Gross Rent

For the direct capitalization analysis, potential gross rent is based on contract rent for leased units and market rent for vacant unit.

Potential Gross Rent							
Unit Description	No. Units	Avg. Contract Rent / Unit	Potential Gross Rent-Contract	Market Rent / Unit	Potential Gross Rent-Market	Loss to Lease
Leased Units						
0 BR/1 BA Free Market - Outdoor - 850 SF	1	$3,605	$43,260	$3,967	$47,600	-9.1%
1 BR/1 BA Free Market - 850 SF	1	$2,950	$35,400	$3,825	$45,900	-22.9%
Total Leased	2	$3,278	$78,660	$3,896	$93,500	-15.9%
Vacant Units (at market rents)						
4 BR/4 BA Free Market -Outdoor - 2,550 SF	1	$12,750	$153,000	$12,750	$153,000	
Total Vacant	1	$12,750	$153,000	$12,750	$153,000	
Grand Total	**3**	**$6,435**	**$231,660**	**$6,847**	**$246,500**	**-15.9%**

Compiled by NKF

Concessions

Rent concession was calculated below the line. Please refer to the end of this section for more details.

Gross Other Income

The other income category includes any income from miscellaneous sources, such as from late fees and other collectibles. We concluded to $150 per residential unit in our analysis, which is typical of the market.

Vacancy & Collection Loss Allowance

Vacancy Allowance

- As discussed in the Multifamily Market Analysis, the current submarket vacancy allowance is 5.4%.
- Based on available data and analysis, the concluded residential vacancy allowance is 4.0% for the subject's free market units.

Collection Loss

- In this market, most properties experience low collection losses – generally 1.0% to 2.0%.
- Based on available data and analysis, the concluded collection loss allowance is 1.0%.

Combined Vacancy and Collection Loss Conclusion

Based on this analysis, the total stabilized vacancy and collection loss allowance for the subject is 5.0% for the subject's free market units.

Effective Gross Income – Multifamily

Effective Gross Multifamily Income		
Subject Historical and Projections	**$/SF**	**Total**
NKF Projection	$15.31	$220,527

Compiled by NKF

Commercial Rent Roll / Tenant Overview

As noted, the subject's improved portion includes two segments – multifamily and commercial components. The commercial segment will now be addressed. A summary rent roll for this portion of the property is shown below, based on our reivew of the executed leases.

Rent Roll						
Suite		**Rentable**	**Lease Term**		**Annualized In-Place Rent***	
Number	**Tenant**	**Area (SF)**	**Start**	**End**	**$ Total**	**$ PSF**
80	Theatre	4,300	Apr-22	Mar-37	$537,500	$125.00
78-1	Museum	1,100	Apr-22	Mar-32	$82,500	$75.00
78-2	Meeting Space	1,100	Apr-22	Mar-32	$71,500	$65.00
	Total (Average)	**6,500**			**$691,500**	**$106.38**
	Occupied Space	0				
	Vacant Space	6,500				

* Annualized In-Place Rent represents Potential Base Rent plus CPI Increases for Month 1 annualized. Vacant space is shown at market.

* Year 1 Contract Rent includes Potential Base Rent, CPI Increases, Step Rent and projected Market Rent for leases escalating or expiring during Year 1.

Compiled by NKF

- All of the commercial spaces are currently owner-occupied. Therefore, we have considered these units vacant as of the date of value.
- The ground floor retail space is couple steps down from the street level and includes a theatre in the rear part of the space.
- The parlor level retail space is located above the street grade, but below typical 2nd floor spaces.
- The 2nd floor retail space is located above most 2nd floor spaces but below 3rd floor spaces.
- Covid-19 pandemic has had a great impact on retail leasing. Therefore, we extended the downtime to 12 months, rather than the typical 6 to 9 months for lease-up. Our projected date of stabilization is April 2022.

Occupancy Status

Occupancy Summary

Type of Space (MLA Name)	Rentable Area (SF)	% Total	Leased (SF)	% Leased	Vacant (SF)	% Vacant
Theatre Retail Market	4,300	66.2%	0	0.0%	4,300	100.0%
Small Retail Market	1,100	16.9%	0	0.0%	1,100	100.0%
Second Floor Retail Market	1,100	16.9%	0	0.0%	1,100	100.0%
Total	6,500	100.0%	0	0.0%	6,500	100.0%

Compiled by NKF

Commercial Market Rent Analysis

In estimating market rent for the subject property, we considered data and opinions from the following:

- actual recent leases from comparable buildings;
- asking rents from competitive properties (presented in the commercial market analysis section of this report); and
- opinions of market rent derived from our interviews of leasing brokers active in the local market.

Analysis of Comparable Leases

Theatre Retail Space

Comparable Rentals Summary

Theatre Retail Market Space	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	78-80 St Marks Place	204 East 13th Street	133 Second Avenue	60 Avenue B	19-23 St. Marks Place	87 East 4th Street
Address	78-80 St Marks Place	204 East 13th Street	133 Second Avenue	60 Avenue B	19-23 St. Marks Place	87 East 4th Street
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Gross Building Area (SF)	14,400 SF	5,520 SF	20,641 SF	11,469 SF	25,068 SF	6,478 SF
Year Built (Renovated)	1920	1800	1920/1986	1900/1986	1900/2003	1900
Number of Stories	4	4	5	6	7	5
Condition	Average	Average	Average	Average	Average	Average
Investment Grade	Class C	Class C	Class C	Class C	Class B	Class C
Lease Details						
Lease Status	Leased	Leased	Leased	Leased	Leased	Leased
Lease Date	Apr-22	Apr-21	Apr-21	Jan-21	Feb-20	Sep-18
Term (Mos.)	120	120	120	180	120	180
Lease Size (SF)	4,300	1,500	1,200	1,350	4,344	1,411
Tenant Name	Theatre	Cutlets	Lucky and Happiness NYU	Laundrymart LLC	Teso Life	Plant-Based Restaurant
Suite/Space Number	80	Ground	Ground	Ground	Ground	Ground
Rates and Measures						
Base Rental Rate		$127.96	$138.00	$141.11	$98.14	$140.33
Effective Rental Rate		$127.96	$138.00	$141.11	$98.14	$140.33
Lease Reimbursement Method	Modified Gross	Modified Gross	Modified Gross	Modified Gross	Modified Gross	Modified Gross
Tenant Improvement (TI) Type		Full Build-Out	Full Build-Out	N/A	Partial Build-Out	Partial Build-Out

Compiled by NKF

Comparable Rentals Adjustment Grid

Theatre Retail Market Space	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Property Name	78-80 St Marks Place	204 East 13th Street	133 Second Avenue	60 Avenue B	19-23 St. Marks Place	87 East 4th Street
Address	78-80 St Marks Place	204 East 13th Street	133 Second Avenue	60 Avenue B	19-23 St. Marks Place	87 East 4th Street
Lease Date	44,652 SF	Apr-21	Apr-21	Jan-21	Feb-20	Sep-18
Term (Mos.)	120	120	120	180	120	180
Size (SF)	4,300	1,500	1,200	1,350	4,344	1,411
Tenant Name	Theatre	Cutlets	Lucky and Happiness NYU	Laundrymart LLC	Teso Life	Plant-Based Restaurant
Suite/Space Number	80	Ground	Ground	Ground	Ground	Ground
Base Rental Rate	$0.00	$127.96	$138.00	$141.11	$98.14	$140.33
Effective Rental Rate		$127.96	$138.00	$141.11	$98.14	$140.33
Lease Reimbursement Method	Modified Gross	Modified Gross	Modified Gross	Modified Gross	Modified Gross	Modified Gross
Financial Adjustments						
Expense Structure ($ PSF Adjustment)		$0.00	$0.00	$0.00	$0.00	$0.00
Expense Structure		0%	0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%	0%
Market Conditions (Time)	4/1/2022	0%	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%	0%
Physical Adjustments						
Location/Access/Exposure		10%	5%	10%	10%	10%
Size		-20%	-20%	-20%	0%	-20%
Age/Condition		0%	0%	0%	0%	0%
Features/Amenities		0%	0%	0%	0%	0%
Quality		0%	0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%	0%
Other		0%	0%	0%	0%	0%
Subtotal		-10%	-15%	-10%	10%	-10%
Overall Adjustment		-10%	-15%	-10%	10%	-10%
Adjusted Rent Per SF		$115.16	$117.30	$127.00	$107.95	$126.29
Range of Adjusted Rents	$107.95 - $127.00					
Average	$118.74					
Indicated Rent	$125.00					

Compiled by NKF

- Based on commercial comparable spaces, we concluded to $125.00 per square foot for the subject's ground floor theatre space.

Small Retail Space (Parlor Floor)

Comparable Leases Summary					
Small Retail Market Space	**Subject**	**Lease 1**	**Lease 2**	**Lease 3**	**Lease 4**
Property Name	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
Address	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Gross Building Area (SF)	14,400 SF	6,248 SF	2,880 SF	6,966 SF	7,161 SF
Year Built (Renovated)	1920	1900/2005	1920	1920	1909/1985
Number of Stories	4	5	2	4	5
Condition	Average	Average	Average	Average	Average
Investment Grade	Class C	Class C	Class C	Class C	Class C
Lease Details - Small Retail					
Lease Status		Leased	Leased	Leased	Leased
Lease Date		May-21	Jun-20	Sep-19	Apr-19
Term (Mos.)		120	36	60	120
Lease Size (SF)		1,800	1,200	1,500	650
Tenant Name		Confidential	Coral Essex Spa	Confidential	Confidential
Suite/Space Number		3rd Floor	2nd Floor	2nd Floor	2nd Floor
Rates and Measures					
Base Rental Rate		$53.30	$80.00	$64.00	$51.69
Effective Rental Rate		$53.30	$80.00	$64.00	$51.69
Lease Reimbursement Method		Modified Gross	Modified Gross	Modified Gross	Modified Gross
Tenant Improvement (TI) Type		Partial Build-Out	Full Build-Out	Partial Build-Out	Partial Build-Out

Compiled by NKF

Comparable Rentals Adjustment Grid					
Small Retail Market Space	**Subject**	**Comparable 1**	**Comparable 2**	**Comparable 3**	**Comparable 4**
Property Name	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
Address	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
Lease Date		May-21	Jun-20	Sep-19	Apr-19
Term (Mos.)		120	36	60	120
Size (SF)		1,800	1,200	1,500	650
Tenant Name		Confidential	Coral Essex Spa	Confidential	Confidential
Suite/Space Number		3rd Floor	2nd Floor	2nd Floor	2nd Floor
Base Rental Rate		$53.30	$80.00	$64.00	$51.69
Effective Rental Rate		$53.30	$80.00	$64.00	$51.69
Lease Reimbursement Method		Modified Gross	Modified Gross	Modified Gross	Modified Gross
Financial Adjustments					
Expense Structure ($ PSF Adjustment)		$0.00	$0.00	$0.00	$0.00
Expense Structure		0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%
Market Conditions (Time)	4/1/2022	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%
Physical Adjustments					
Location/Access/Exposure		15%	15%	15%	15%
Size		5%	0%	0%	-5%
Age/Condition		0%	0%	0%	0%
Features/Amenities		0%	0%	0%	0%
Quality		0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%
Other		0%	0%	0%	0%
Subtotal		20%	15%	15%	10%
Overall Adjustment		20%	15%	15%	10%
Adjusted Rent Per SF		$63.96	$92.00	$73.60	$56.86
Range of Adjusted Rents	$56.86 - $92.00				
Average	$71.61				
Indicated Rent	$75.00				

Compiled by NKF

- Based on commercial comparable spaces, we concluded to $75.00 per square foot for the subject's parlor floor retail space.

Second Floor Retail Space

Comparable Rentals Summary					
Second Floor Retail Market Space	**Subject**	**Comparable 1**	**Comparable 1**	**Comparable 2**	**Comparable 3**
Property Name	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
Address	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
City, State	New York, NY	New York, NY	New York, NY	New York, NY	New York, NY
Gross Building Area (SF)	14,400 SF	6,248 SF	2,880 SF	6,966 SF	7,161 SF
Year Built (Renovated)	1920	1900/2005	1920	1920	1909/1985
Number of Stories	4	5	2	4	5
Condition	Average	Average	Average	Average	Average
Investment Grade	Class C	Class C	Class C	Class C	Class C
Lease Details - Second Floor Retail Market					
Lease Status		Leased	Leased	Leased	Leased
Lease Date		May-21	Jun-20	Sep-19	Apr-19
Term (Mos.)		120	36	60	120
Lease Size (SF)		1,800	1,200	1,500	650
Tenant Name		Confidential	Coral Essex Spa	Confidential	Confidential
Suite/Space Number		3rd Floor	2nd Floor	2nd Floor	2nd Floor
Rates and Measures					
Base Rental Rate		$53.30	$80.00	$64.00	$51.69
Effective Rental Rate		$53.30	$80.00	$64.00	$51.69
Lease Reimbursement Method		Modified Gross	Modified Gross	Modified Gross	Modified Gross
Tenant Improvement (TI) Type		Partial Build-Out	Full Build-Out	Partial Build-Out	Partial Build-Out

Compiled by NKF

Comparable Rentals Adjustment Grid					
Second Floor Retail Market Space	**Subject**	**Comparable 1**	**Comparable 1**	**Comparable 2**	**Comparable 3**
Property Name	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
Address	78-80 St Marks Place	34 Avenue A	123 Essex Street	98 Third Avenue	116 Eldridge Street
Lease Date		May-21	Jun-20	Sep-19	Apr-19
Term (Mos.)		120	36	60	120
Size (SF)		1,800	1,200	1,500	650
Tenant Name		Confidential	Coral Essex Spa	Confidential	Confidential
Suite/Space Number		3rd Floor	2nd Floor	2nd Floor	2nd Floor
Base Rental Rate		$53.30	$80.00	$64.00	$51.69
Effective Rental Rate		$53.30	$80.00	$64.00	$51.69
Lease Reimbursement Method		Modified Gross	Modified Gross	Modified Gross	Modified Gross
Financial Adjustments					
Expense Structure ($ PSF Adjustment)		$0.00	$0.00	$0.00	$0.00
Expense Structure		0%	0%	0%	0%
Conditions of Lease		0%	0%	0%	0%
Market Conditions (Time)	4/1/2022	0%	0%	0%	0%
Subtotal		0%	0%	0%	0%
Physical Adjustments					
Location/Access/Exposure		5%	5%	5%	5%
Size		5%	0%	0%	-5%
Age/Condition		0%	0%	0%	0%
Features/Amenities		0%	0%	0%	0%
Quality		0%	0%	0%	0%
Economic Characteristics		0%	0%	0%	0%
Other		0%	0%	0%	0%
Subtotal		10%	5%	5%	0%
Overall Adjustment		10%	5%	5%	0%
Adjusted Rent Per SF		$58.63	$84.00	$67.20	$51.69
Range of Adjusted Rents	$51.69 - $84.00				
Average	$65.38				
Indicated Rent	$65.00				

Compiled by NKF

- Based on commercial comparable spaces, we concluded to $65.00 per square foot for the subject's second floor retail space.

Commercial Market Rent Conclusion

Base Rent Conclusions

After analysis, the overall range adjusted range and concluded market base rent for the subject is as follows:

Base Rent Conclusions				
	Adjusted Comparable Leases			
MLA Category	Low	High	Average	NKF Estimate
Theatre Retail Market Space:	$107.95	$127.00	$118.74	$125.00
Small Retail Market Space:	$56.86	$92.00	$71.61	$75.00
Second Floor Retail Market Spa	$51.69	$84.00	$65.38	$65.00

Compiled by NKF

Expense Reimbursement Conclusion

Modified gross lease terms whereby the tenant is responsible for utilities are typical in the subject's market. In addition, the tenant is responsible for their pro-rata share of real estate taxes over base year.

Free Rent/Concessions Conclusion

Free rent of 6 months for new leases and 3 months for renewals is typical in the subject's market.

Tenant Improvement Conclusions

Tenant improvement allowance is typical for retail leases in the subject market. To incentivize potential retail tenants, we concluded to $100/SF for new leases and $50/SF for renewals.

Leasing Commissions Conclusion

Leasing commissions in the area are paid primarily on a percentage basis, with some lease transactions brokered solely by an exclusive inside agent and others brokered by an outside agent with an override paid to the inside agent. For new tenants, total commissions are estimated at 3.5% and 4.0% of the total base rent of the lease, inclusive of amounts paid to inside and outside agents. For renewing tenants, commissions are typically half of this amount or 1.75% and 2.0%.

The following chart details the projected leasing commission schedules based on a 5-year, 10-year, 15-year and 20-year leasing term. These assumptions are consistent with typical commission schedules quoted by Newmark Knight Frank as well as every major New York City leasing brokerage firm and vary depending on the length of the term. It should be noted that commission schedules are traditionally higher for new tenants than renewal tenants, as an override is not included within this schedule due to the tenant's occupancy within the building. A new tenant will typically result in the full commission amount due, whereas a renewing tenant typically results in half. Furthermore, the chart on the following page details the full commission

schedule, properly taking into consideration the commission schedule for the exclusive leasing agent, along with the projected override for an outside broker.

The standard New York City building owner employs exclusive leasing agents who receive a commission, in addition to the commission payable to an outside broker. Based on the existing size, quality, and leasing profile of the building, it is our opinion that the ownership would employ an exclusive agent. Therefore, the chart on the following page outlines the full commission on each lease, factoring in that 50% for all new leases would be orchestrated by an outside broker; with the remainder of the lease attributed to the exclusive leasing agent. Assuming this 50% override, each new lease would attribute a commission expense of 125% of the standard rate. The calculation employed is as follows:

- 50% (override) X 50% (outside broker) = 25%
- Total Commission To Be Paid = 125%

Newmark Knight Frank Commission Schedule

Lease Term	Years	Full Commission	Override Commission	Total Commission @ 100.0% Override Probability	Renewal Commission @50%
	1	5.00%	1.25%	6.25%	3.13%
	2	4.00%	1.00%	5.00%	2.50%
	3	3.50%	0.88%	4.38%	2.19%
	4	3.50%	0.88%	4.38%	2.19%
	5	3.50%	0.88%	4.38%	2.19%
5 Year Average	**Avg.**	**3.90%**	**0.98%**	**4.88%**	**2.44%**
	6	2.50%	0.63%	3.13%	1.56%
	7	2.50%	0.63%	3.13%	1.56%
	8	2.50%	0.63%	3.13%	1.56%
	9	2.50%	0.63%	3.13%	1.56%
	10	2.50%	0.63%	3.13%	1.56%
10 Year Average	**Avg.**	**3.20%**	**0.80%**	**4.00%**	**2.00%**
	11	2.00%	0.50%	2.50%	1.25%
	12	2.00%	0.50%	2.50%	1.25%
	13	2.00%	0.50%	2.50%	1.25%
	14	2.00%	0.50%	2.50%	1.25%
	15	2.00%	0.50%	2.50%	1.25%
15 Year Average	**Avg.**	**2.80%**	**0.70%**	**3.50%**	**1.75%**
	16	2.00%	0.50%	2.50%	1.25%
	17	2.00%	0.50%	2.50%	1.25%
	18	2.00%	0.50%	2.50%	1.25%
	19	2.00%	0.50%	2.50%	1.25%
	20	2.00%	0.50%	2.50%	1.25%
20 Year Average	**Avg.**	**2.60%**	**0.65%**	**3.25%**	**1.63%**

Compiled by NKF

Rollover Vacancy Conclusion

Upon vacancy, commercial spaces in the subject's market are typically re-leased in approximately 12 months. This is expected of the subject as well.

Renewal Probability

We anticipate a 60% renewal probability for the subject's commercial spaces, which is typical in the market.

Market Rent Growth Rate

The concluded rent growth assumptions have been developed based on conversations with NKF's leasing brokerage group, other brokers and leasing managers, owners, developers, and investment managers who specialize in commercial properties throughout the area. We have projected an annual rent growth assumption of 3.00%.

Market Rent Conclusions

Based on the preceding analysis, the following is the concluded market lease terms for the subject:

Concluded Market Lease Terms

MLA Category	Rentable SF	Market Rent	Measure	Rent Escalations		Reimbursement Method		Term (Mos.)	Mos. Free
Theatre Retail Market Space:	4,300	$125.00	$/SF/Year	3% per Annum		Modified Gross		180	6 Months
Small Retail Market Space:	1,100	$75.00	$/SF/Year	3% per Annum		Modified Gross		120	6 Months
Second Floor Retail Market Space:	1,100	$65.00	$/SF/Year	3% per Annum		Modified Gross		120	6 Months
MLA Category	**Renewal %**	**Rollover Vacant Mos.**	**Weighted Down-time**	**TI/SF (New)**	**TI/SF (Renewal)**	**Weighted TI/SF**	**LC (New)**	**LC (Renewal)**	**Weighted LC**
Theatre Retail Market Space:	60%	12	5	$100.00	$50.00	$70.00	3.50%	1.75%	2.45%
Small Retail Market Space:	60%	12	5	$100.00	$50.00	$70.00	4.00%	2.00%	2.80%
Second Floor Retail Market Space:	60%	12	5	$100.00	$50.00	$70.00	4.00%	2.00%	2.80%

Compiled by NKF

Commercial Gross Income Estimate

Commercial Potential Gross Rent

Figures presented below reflect the 12-month period following the stabilization date of the appraisal.

Potential Gross Rent

MLA Category	Rentable SF	Potential Rent At Market Annual	$/SF/Yr
Theatre Retail Market Space:	4,300	$537,500	$125.00
Small Retail Market Space:	1,100	$82,500	$75.00
Second Floor Retail Market Spa	1,100	$71,500	$65.00
Total	6,500	$691,500	$106.38

* Contract rent for leased space plus market rent for vacant space

Compiled by NKF

For the direct capitalization analysis, potential gross rent is based on market rents for the commercial spaces.

Vacancy & Collection Loss Allowance - Commercial

Vacancy Allowance - Commercial

- Based on available data and analysis, the concluded vacancy allowance for commercial income is 5.0%.

Collection Allowance - Commercial

- Based on available data and analysis, the concluded collection loss allowance is 2.0%.

Combined Vacancy and Collection Loss Conclusion - Commercial

- Based on the market analysis, the total stabilized vacancy and collection loss allowance for the subject is 7.0% for commercial income.

Effective Gross Income – Commercial

Effective Gross Commercial Income		
Subject Historical and Projections	**$/SF**	**Total**
NKF Projection	$44.66	$643,095

Compiled by NKF

Effective Gross Income - Overall

The following depicts the total effective gross income for the property.

Effective Gross Income		
Subject Historical and Projections	**$/SF**	**Total**
NKF Projection	$59.97	$863,622

Compiled by NKF

Gross Income Estimate

Operating History

Three years of historical operating data and a current budget for the property were requested. However, only the 2019 expense statement was provided. We relied on the historical as well as the comparable operating expenses of similar properties in our projections.

As appropriate, the owner's operating expenses are reclassified into standard categories and exclude items that do not reflect normal operating expenses for this type of property.

The reclassification is done for proper analysis against comparable data and industry benchmarks as appropriate. Because the historical operating data statements use different names for some categories and it is not always immediately apparent which expenses belong to which standard expense category, the following provides a mapping of these expenses. The categories on the historical operating statements are in the far left column while the "NKF Revenue or Operating Expense Category" are the categories used in this analysis for that line item.

Application of NKFAccount Standards to Owner's Revenue and Expenses

Actual or Proforma		Actuals
Period Length		12 Mos.
Period Ending		12/31/2019
Owner's Operating Expense Category	**NKF Operating Expense Category**	
Electricity includes Gas	Utilities	$14,921
Property Insurance	Insurance	$14,998
Visiting Superintendent	Payroll and Benefits	$5,610
Management Fee	Management	$43,170
Real Estate Tax	Real Estate Taxes	$157,000
Water Sewer	Water and Sewer	$14,236
Supplies	General and Administrative	$1,109
Maintenance and Repair	Repairs and Maintenance	$12,770
Exterminating	Repairs and Maintenance	$1,428
Total Operating Expenses	Total Operating Expenses	$265,242

Compiled by NKF

Operating History and Projections

Period Length	12 Mos.		NKF	
Period Ending	12/31/2019		Projection	
Multifamily Revenue	**Total $**	**$/SF**	**Total $**	**$/SF**
Rental Income - Market Rate	$0	$0.00	$231,660	$16.09
Gross Other Income	$0	$0.00	$450	$0.03
Potential Gross Multifamily Income	$0	$0.00	$232,110	$16.12
Vacancy & Collection Loss - Market R	$0	$0.00	($11,583)	($0.80)
Effective Gross Multifamily Income	**$0**	**$0.00**	**$220,527**	**$15.31**
Commercial Revenue	**Total $**	**$/SF**	**Total $**	**$/SF**
Potential Base Rent	$0	$0.00	$691,500	$48.02
Potential Gross Commercial Income	$0	$0.00	$691,500	$48.02
Vacancy Allowance	$0	$0.00	($34,575)	($2.40)
Collection Allowance	$0	$0.00	($13,830)	($0.96)
Effective Gross Commercial Income	**$0**	**$0.00**	**$643,095**	**$44.66**
Effective Gross Income	**$0**	**$0.00**	**$863,622**	**$59.97**
Operating Expenses	**Total $**	**$/SF**	**Total $**	**$/SF**
Real Estate Taxes	$157,000	$10.90	$165,323	$11.48
Insurance	$14,998	$1.04	$15,120	$1.05
Utilities	$14,921	$1.04	$15,120	$1.05
Water and Sewer	$14,236	$0.99	$14,400	$1.00
Repairs and Maintenance	$14,198	$0.99	$14,400	$1.00
Payroll and Benefits	$5,610	$0.39	$6,480	$0.45
General and Administrative	$1,109	$0.08	$7,200	$0.50
Management	$43,170	$3.00	$25,909	$1.80
Replacement Reserves	$0	$0.00	$4,320	$0.30
Total Operating Expenses	$265,242	$18.42	$268,272	$18.63

Compiled by NKF

Operating Expense Analysis

Expense data for the subject and comparable properties are summarized in the following table.

Expense Analysis per Square Foot

	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	ject Historical and Projecti	
Year Built	1900	1900	1900	1900	1900	1920	
SF	9,635	22,314	9,750	10,571	11,343	14,400	
Operating Data Type	Actual	Actual	Actual	Actual	Actual	Actual	**NKF**
Year	2019	2019	2019	2019	2019	2019	**Projection**
Effective Gross Income per Square Foot	$54.94	$41.21	$50.09	$31.17	$47.07	$0.00	**$59.97**
Operating Expenses per Square Foot							
Insurance	$1.75	$0.96	$1.07	$0.77	$0.89	$1.04	$1.05
Utilities	$0.48	$2.35	$2.17	$1.56	$2.04	$1.04	$1.05
Water and Sewer	$1.64	$0.55	$1.28	$1.10	$1.39	$0.99	$1.00
Repairs and Maintenance	$1.29	$0.69	$1.38	$2.08	$2.84	$0.99	$1.00
Payroll and Benefits	$0.75	$0.33	$0.05	$0.57	$0.42	$0.39	$0.45
General and Administrative	$0.76	$0.31	$0.79	$0.56	$0.95	$0.08	$0.50
Management	$0.26	$2.26	$2.50	$1.29	$2.35	$3.00	$1.80
Total Operating Expenses per Square Foot	$6.93	$7.45	$9.24	$7.93	$10.88	$7.52	**$6.85**

Compiled by NKF

Real Estate Taxes

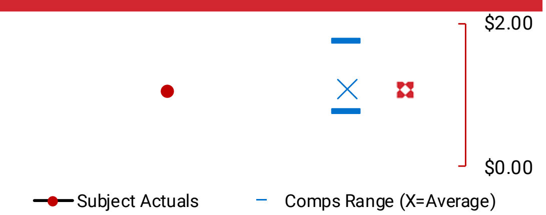
This expense category includes all local, county, and state property tax levies. Our projection is based on the property assessment and tax rate for the subject, as discussed previously in the Real Estate Tax Analysis.

Insurance

Insurance

Source	% of EGI	$/SF	Total
Comparables Low	1.9%	$0.77	
Comparables High	3.2%	$1.75	
Comparables Average	2.4%	$1.09	
Subject Historical and Projections			
2019 (Actual Operations)		$1.04	$14,998
NKF Projection	1.8%	$1.05	$15,120

Compiled by NKF



Insurance expense includes property and casualty insurance for the subject. We have concluded to an expense in line with the historical operating expenses. Our estimate is well supported by the comparable data.

Water and Sewer

Water and Sewer			
Source	**% of EGI**	**$/SF**	**Total**
Comparables Low	1.3%	$0.55	
Comparables High	3.5%	$1.64	
Comparables Average	2.7%	$1.19	
Subject Historical and Projections			
2019 (Actual Operations)		$0.99	$14,236
NKF Projection	1.7%	$1.00	$14,400

Compiled by NKF

This expense accounts for city water consumption and sewer usage for the entire building. We have projected to an expense in line with historical data. Our estimate is well supported by the comparable data.

Utilities

Utilities			
Source	**% of EGI**	**$/SF**	**Total**
Comparables Low	0.9%	$0.48	
Comparables High	5.7%	$2.35	
Comparables Average	4.0%	$1.72	
Subject Historical and Projections			
2019 (Actual Operations)		$1.04	$14,921
NKF Projection	1.8%	$1.05	$15,120

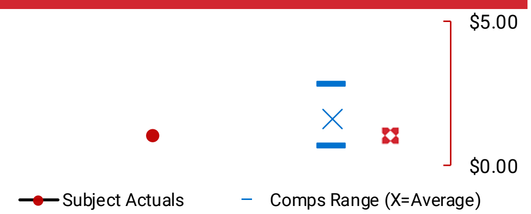
Compiled by NKF

This expense includes common area electric, heat, and hot water. We have concluded to an expense in line with the historical data. Our estimate is in line with the comparable range.

Repairs and Maintenance

Repairs and Maintenance			
Source	**% of EGI**	**$/SF**	**Total**
Comparables Low	1.7%	$0.69	
Comparables High	6.7%	$2.84	
Comparables Average	3.9%	$1.66	
Subject Historical and Projections			
2019 (Actual Operations)		$0.99	$14,198
NKF Projection	1.7%	$1.00	$14,400

Compiled by NKF



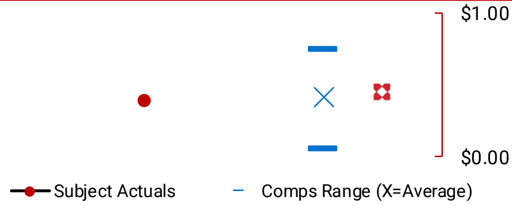
Repairs and maintenance includes expenditures to repair and maintain mechanical systems and structural components, encompassing payroll and contract costs, as appropriate. Excluded are alterations and major replacements, which are considered capital costs rather than periodic expenses. We have concluded to an expense in line with the historical operating expenses. Our estimate is well supported by the comparable data.

Payroll and Benefits

Payroll and Benefits

Source	% of EGI	$/SF	Total
Comparables Low	0.1%	$0.05	
Comparables High	1.8%	$0.75	
Comparables Average	1.0%	$0.42	
Subject Historical and Projections			
2019 (Actual Operations)		$0.39	$5,610
NKF Projection	0.8%	$0.45	$6,480

Compiled by NKF



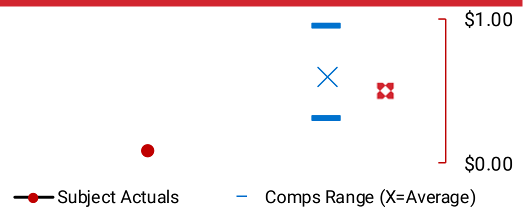
Payroll and benefits includes all employees such as the manager, leasing agents, maintenance personnel, and grounds crew. A typical operator/owner would hire a part-time superintendent for a property of this size. We have concluded to an expense in line with the historical expense as well as the comparable set.

General/Administrative

General and Administrative

Source	% of EGI	$/SF	Total
Comparables Low	0.8%	$0.31	
Comparables High	2.0%	$0.95	
Comparables Average	1.5%	$0.61	
Subject Historical and Projections			
2019 (Actual Operations)		$0.08	$1,109
NKF Projection	0.8%	$0.50	$7,200

Compiled by NKF



General and administrative expenses consist of office expenses as well as legal, accounting and other professional fees, license fees, and business taxes, if any. We have concluded to an expense in line with the comparable range.

Management

Management fees are considered an expense of operation, whether the services are contracted or provided by the property owner. Typical management fees for properties of this type range from 2% to 3%. Considering that the subject is a multi-tenant property with typical management needs, we project an overall management fee of 3% of effective gross income.

Replacement Reserves

For the subject property type and local market, it is customary to include replacement reserves as an expense line item in developing an estimate of net operating income. Replacement reserves are estimated to account for replacement costs of certain capital items, such as the roof and HVAC system. Our estimate of the replacement reserves expense is based on $0.30 per square foot.

Total Operating Expenses

Total Operating Expenses			
Source	**% of EGI**	**$/SF**	**Total**
Comparables Low	12.6%	$6.93	
Comparables High	25.4%	$10.88	
Comparables Average	19.5%	$8.49	
Subject Historical and Projections			
2019 (Actual Operations)		$7.52	$108,242
NKF Projection	11.4%	$6.85	$98,629

Compiled by NKF

We have analyzed the overall expenses without real estate taxes and replacement reserves. Based on the comparable data, we believe our projected operating expense is reasonable.

Net Operating Income

Net Operating Income			
Source	**% of EGI**	**$/SF**	**Total**
Subject Historical and Projections			
NKF Projection	68.9%	$41.34	$595,350

Compiled by NKF

Direct Capitalization

The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

Comparable Multifamily Sales Summary							
No.	**Property Name**	**Yr. Built**	**Sale Date**	**Rentable Area**	**Occ. %**	**Price per SF**	**OAR**
1	340 East 9th Street	1900	Feb-2021	7,299	100%	$819	6.12%
2	54 Avenue C	1900	Nov-2020	6,929	100%	$530	6.25%
3	94 Saint Marks Place	1900	Aug-2020	7,020	100%	$1,211	5.50%
4	506 East 6th Street	1920	Aug-2020	6,825	100%	$579	5.20%
5	109 Avenue A	1908	Feb-2020	16,581	100%	$1,251	4.53%
Average (Mean) Cap Rate:							5.52%

Compiled by NKF

- The capitalization rate range of the comparable sales is 4.53% to 6.25% and the average is 5.52%.
- The subject's unit mix consists of 100% free market units, with upside potential in average rent.
- The commercial unit is currently owner-occupied, but located on the most sought commercial corridor in East Village.

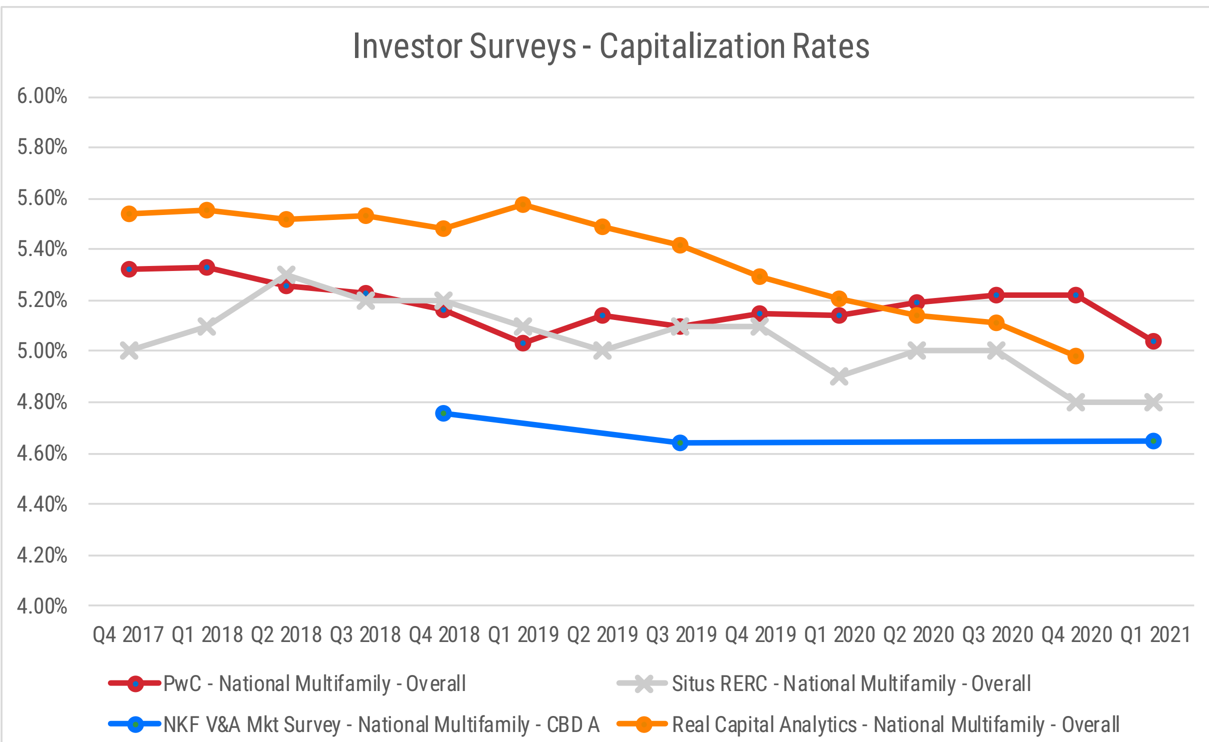
- The subject property is significantly underbuilt and has an excess development rights.
- In concluding to a capitalization rate for the subject we have taken into account the subject's percentage of free market units, excess development rights, and the prime retail location, and conclude to a capitalization rate towards the lower end of the comparable range.

Investor Surveys

Investor Surveys - Capitalization Rates

Source	Period	Low	High	Average
PwC - National Multifamily - Overall	Q1 2021	3.50%	7.00%	5.04%
Situs RERC - National Multifamily - Overall	Q1 2021	4.00%	5.80%	4.80%
NKF V&A Mkt Survey - National Multifamily - CBD A	Q1 2021	N/A	N/A	4.65%
Real Capital Analytics - National Multifamily - Overall	Q4 2020	N/A	N/A	4.98%

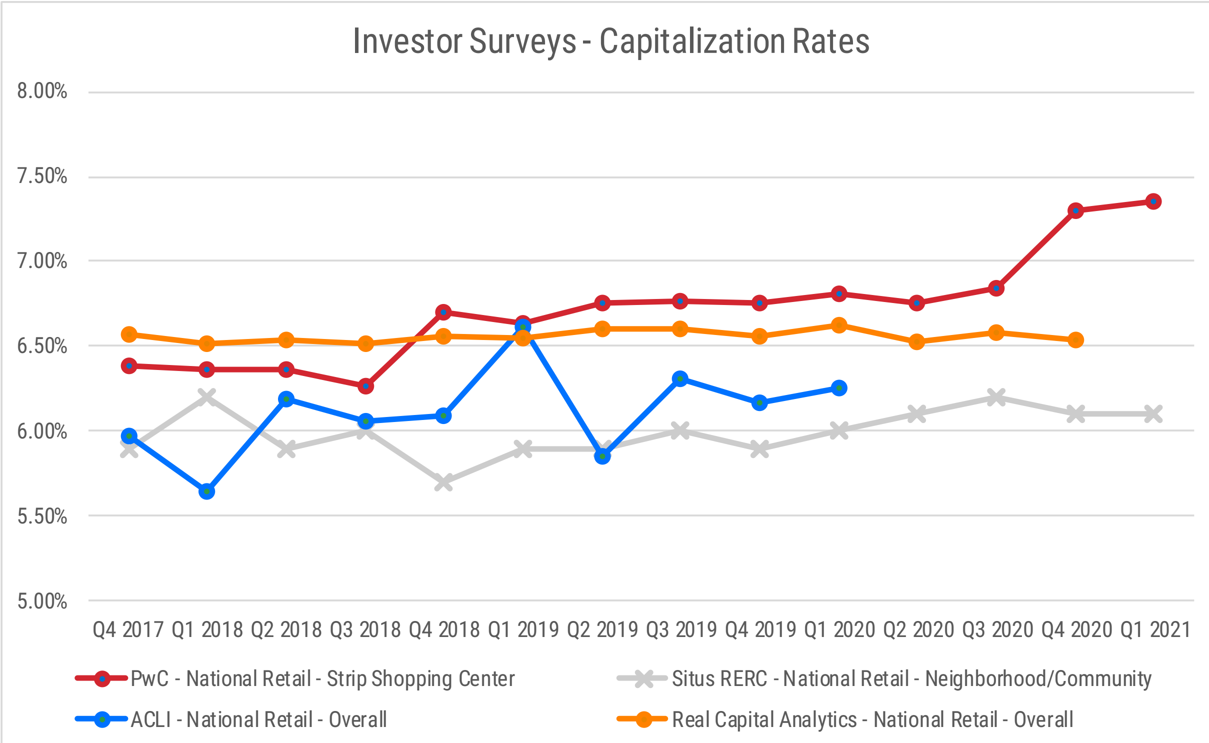
Compiled by NKF



Investor Surveys - Capitalization Rates

Source	Period	Low	High	Average
PwC - National Retail - Strip Shopping Center	Q1 2021	5.00%	10.00%	7.35%
Situs RERC - National Retail - Neighborhood/Community	Q1 2021	5.00%	7.50%	6.10%
ACLI - National Retail - Overall	Q1 2020	N/A	N/A	6.26%
Real Capital Analytics - National Retail - Overall	Q4 2020	N/A	N/A	6.54%

Compiled by NKF



- According to PwC, the most current national survey data indicates that a going-in capitalization rate for multifamily properties ranges from 3.5% to 7.0% and averages 5.04%. A going-in capitalization rate for retail properties ranges from 5.0% to 10.0% and averages 7.35%.
- The rate appropriate to the subject is considered to be below the average rate in the survey data due to the subject's location in New York City, which typically displays lower capitalization rates than properties in other parts of the United States.
- Accordingly, based on the survey data, a capitalization rate within a range of 4.5% to 5.5% could be expected for the subject.

Market Participants

Market Participant Survey - Capitalization Rates		
Respondent	**Cap Rate**	**Comments**
Broker	4.50% - 5.50%	Q1 2021
Subject Indication	4.50% - 5.50%	

Compiled by NKF

- Market participants generally viewed the subject property favorably due to its ease of access to Midtown Manhattan.

- Based on these responses, a capitalization rate within a range of 4.5% to 5.5% is indicated for the subject.

Capitalization Rate Conclusion

Positive Attributes

- Positive growth demographic trends.
- Average quality and appeal commensurate with competing Class C properties in the submarket.
- All of the residential units are market rate.

Negative Attributes

- New construction that continues to enter the market.
- Uncertainty in the market surrounding the ongoing COVID-19 pandemic.
- Most of the building is currently owner-occupied.

Capitalization Rate Conclusion

Source	Indication
Comparable Sales	4.53% - 6.25%
Investor Surveys	3.50% - 7.00%
Market Participants	4.50% - 5.50%
Concluded Going-In Capitalization Rate	5.00%

Compiled by NKF

Direct Capitalization Summary

Net operating income is divided by the capitalization rate to derive the stabilized value of the subject. The as complete and as is value indications are derived through the adjustments noted above. Valuation of the subject by direct capitalization is shown in the table immediately following.

Income Capitalization Approach

Summary of Stabilized Net Operating Income

Item Description	% of Income	$ / SF	Total $
Multifamily Revenue		4,250 SF	
Rental Income - Market Rate		$54.51	$231,660
Potential Rental Income		$54.51	$231,660
Gross Other Income		$0.11	$450
Potential Gross Multifamily Income		$54.61	$232,110
Vacancy & Collection Loss - Market Rate	-5.00%	($2.73)	($11,583)
Effective Gross Multifamily Income		**$51.89**	**$220,527**
Commercial Revenue		6,500 SF	
Scheduled Base Rent		$106.38	$691,500
Expense Recoveries		$0.00	$0
Potential Gross Commercial Income		$106.38	$691,500
Vacancy Allowance	-5.00%	($5.32)	($34,575)
Collection Allowance	-2.00%	($2.13)	($13,830)
Effective Gross Commercial Income		**$98.94**	**$643,095**
Effective Gross Income		**$59.97**	**$863,622**
Operating Expenses		14,400 SF	
Real Estate Taxes		$11.48	$165,323
Insurance		$1.05	$15,120
Utilities		$1.05	$15,120
Water and Sewer		$1.00	$14,400
Repairs and Maintenance		$1.00	$14,400
Payroll and Benefits		$0.45	$6,480
General and Administrative		$0.50	$7,200
Management	3.00%	$1.80	$25,909
Replacement Reserves		$0.30	$4,320
Total Operating Expenses	31.06%	$18.63	$268,272
Net Operating Income		**$41.34**	**$595,350**

Direct Capitalization Method

Value Indication		$ / SF	Total $
Stabilized Net Operating Income		$41.34	$595,350
Overall Capitalization Rate			5.00%
Prospective As Stabilized Value	Effective Date: 4/1/2022		$11,907,006
Rounded		**$826.39**	**$11,900,000**

Valuation Matrix

OAR	Value
4.50%	$13,230,006
4.75%	$12,533,690
5.00%	**$11,907,006**
5.25%	$11,340,006
5.50%	$10,824,551

As Is

As Stabilized Value as of Current Date	Effective Date: 4/15/2021		$11,907,006
Commercial Tenant Improvements			($650,000)
Commercial Leasing Costs			($396,526)
Commercial Free Rent			($345,750)
Commercial Downtime			($691,500)
COVID-19 Concession			($46,158)
As Is Value	Effective Date: 4/15/2021		$9,777,072
Rounded		**$680.56**	**$9,800,000**

Compiled by NKF

Adjustments to Value

Collection losses due to the COVID-19 pandemic have been accounted for based on the immediate area's Average Household Income (AHI). For the subject property, the ¼-mile radius AHI is $110,627 annually as per ESRI data compiled in the neighborhood analysis section of this report. The income group (AHI above $100,000), represents mostly jobs which have been less impacted by lay-offs. As such, we estimate 10% of the subject's residential rent will be impacted by increased collection losses for 6 months.

Owners in the marketplace that were surveyed indicated that a number of commercial tenants have been requesting partial or full rent abatement to consider the lack of income generation for these tenants, which owners have been positively responding to in order to combat the potential for widespread vacancy. The representative for the subject property also indicated that the commercial tenant received partial and full rent abatement in 2020. Many owners have indicated that in exchange, tenants are willing to either extend their lease term to consider the time rent will be abated, or amortize the abated rent with a certain interest for accrued rent over the remainder of the tenants lease term. In order to consider the potential for tenant bankruptcy or lease re-negotiation we have doubled the vacancy assumption for the first year of the analysis period.

As these losses are considered to be short term, we do not capitalize the increased collection losses into perpetuity. Instead we make the deduction below the net operating line and apply it to the as is value under all approaches to value. Our collection loss adjustment is as follows:

COVID-19 Vacancy & Collection Loss

Component	Annual Rental Income	Monthly Rental Income	x	No. Months	x	V & CL	Total Concessions
Residential	$231,660	$19,305		6		10%	$11,583
Commercial	$691,500					5%	$34,575
Total							$46,158

Compiled by NKF

Residential Lease-Up Costs

Our conversations with representatives of ownership have indicated that they are currently offering between one and two months of free rent for new leases. We have projected temporary residential rental concessions for the subject's free market units for a period of three years due to the market trends and fall-out from the COVID-19 pandemic. Please note, we have considered no rent growth in year-two. The present value of the subject's residential rent concessions is presented in the chart below:

Residential Rent Concessions				
Component	Annual Potential Rental Income	Monthly Potential Rental Income	No. of Months Concession	Concessions
Yr 1	$231,660	$19,305	2	$38,610
Yr 2	$231,660	$19,305	1	$19,305
Yr 3*	$238,610	$19,884	0.5	$9,942
Total				$67,857
NPV @ Discount Rate of 6.0%				$61,953
Rounded				**$50,000**

* We have grown rent by 3.0% in year 3. We have projected no rent growth in year two due to the current economic conditions.

Reconciliation of Value

The values indicated by our analyses are as follows:

Market Value Indications	
Market Value Premise	**As Is**
As of Date:	**April 15, 2021**
Cost Approach:	Not Used
Sales Comparison Approach:	$9,400,000
Income Capitalization Approach:	$9,800,000
Market Value Conclusion	$9,800,000

Compiled by NKF

Cost Approach

The Cost Approach has best applicability for properties with new or nearly new improvements. It is a summation approach in that the underlying land value is added to the depreciated replacement cost for the indicated value. In this case, the underlying land value was well established through sales comparison and is considered reliable. The replacement cost was developed through both Marshall Valuation Service data and cost comparables. The weakness to the cost approach is the estimate of depreciation but the newer age of the improvements limits the impact. Still, the subject property is an income producing property and the cost approach would be given the least credence by investors. In this case, the cost approach was not utilized due to the age of the improvements which results in significant depreciation thereby reducing the reliability of this approach.

Sales Comparison Approach

The Sales Comparison Approach is focused on comparing the subject to sale and other market transactions with the aim to develop an indication of value that is founded on the theory of substitution. Basically, the intention is to determine value through considering the prices of properties which would be a substitute property to the subject. In this case, a selection of reasonably similar sales were obtained and the adjustment process was well founded by reasoning and direct evidence. Although this analysis is considered to be well founded and reliable, the subject property is an income producing property and the sales comparison approach, like the cost approach, is limited it its ability to directly consider the income levels of the subject and the sales. Accordingly, secondary weight is given to the sales comparison approach.

Income Capitalization Approach

The subject property is an apartment property. It is distinctly an income producing property and this approach is specifically designed to address the value of such a property. Only a direct capitalization analysis was developed. Market rent was well established by reasonably similar lease data. The property has a stable history and both income and expense estimates track with historical trends. Capitalization rates were developed from a number of sources including the sales used in the sales comparison approach. In total, the income capitalization approach is considered to be most applicable to the subject and most reliable. This approach is given greatest weight for that reason.

Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value "As Is"	Leased Fee	4/15/2021	$9,800,000

Compiled by NKF

Extraordinary Assumptions and Hypothetical Conditions

An extraordinary assumption is defined in USPAP as an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results.

1. None

A hypothetical condition is defined in USPAP as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. The value conclusions are based on the following hypothetical conditions that may affect the assignment results.

1. None

Compiled by NKF

Exposure Time

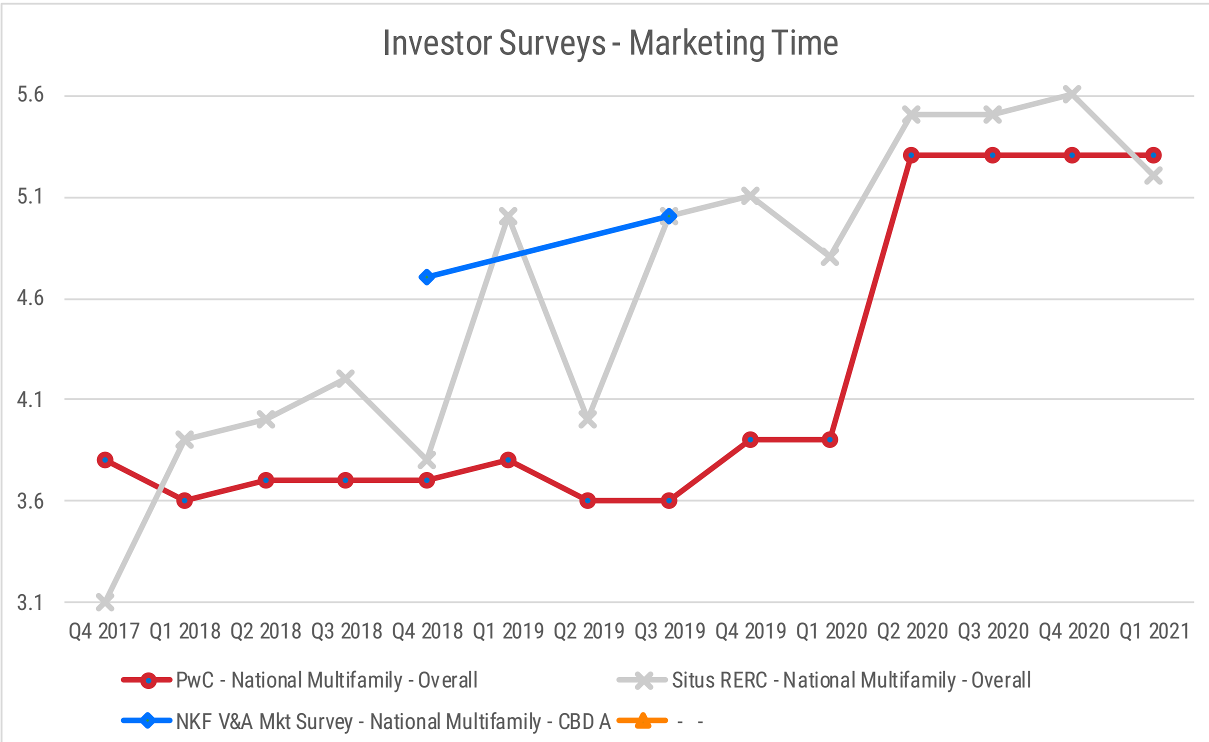
Exposure time is the estimated length of time the subject property would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. It is a retrospective estimate based on an analysis of past events assuming a competitive and open market.

The following is national investor survey data which is one source for the underlying data to this conclusion.

Investor Surveys - Marketing Times

Source	Period	Low	High	Average
PwC - National Multifamily - Overall	Q1 2021	1.0	12.0	5.3
Situs RERC - National Multifamily - Overall	Q1 2021	N/A	N/A	5.2
NKF V&A Mkt Survey - National Multifamily - CBD A	Q3 2019	N/A	N/A	5.0

Compiled by NKF



Recent sales transaction data for similar properties, supply and demand characteristics for the local multifamily market, and the opinions of local market participants were reviewed and analyzed. Based on this data and analysis, it is our opinion that the probable exposure time for the subject at the concluded market value / values stated previously is 6 to 12 months.

Marketing Time

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. As no significant changes in market conditions are foreseen in the near term, it is our opinion that a reasonable marketing period for the subject is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 6 to 12 months.

Assumptions and Limiting Conditions

The Appraisal contained in this Report (herein "Report") is subject to the following assumptions and limiting conditions:

1. Unless otherwise stated in this report, title to the property which is the subject of this report (herein "Property") is assumed to be good and marketable and free and clear of all liens and encumbrances and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. No responsibility is assumed for the legal description, zoning, condition of title or any matters which are legal in nature or otherwise require expertise other than that of a professional real estate appraiser. This report shall not constitute a survey of the Property.
2. Unless otherwise stated in this report, it is assumed: that the improvements on the Property are structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; that the roof and exterior are in good condition and free from intrusion by the elements; that the Property and improvements conform to all applicable local, state, and federal laws, codes, ordinances and regulations including environmental laws and regulations. No responsibility is assumed for soil or subsoil conditions or engineering or structural matters. The Property is appraised assuming that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report is based, unless otherwise stated. The physical condition of the Property reflected in this report is solely based on a visual inspection as typically conducted by a professional appraiser not someone with engineering expertise. Responsible ownership and competent property management are assumed.
3. Unless otherwise stated in this report, this report did not take into consideration the existence of asbestos, PCB transformers or other toxic, hazardous, or contaminated substances or underground storage tanks, or the cost of encapsulation, removal or remediation thereof. Real estate appraisers are not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials and substances may adversely affect the value of the Property. Unless otherwise stated in this report, the opinion of value is predicated on the assumption that there is no such material or substances at, on or in the Property.
4. All statements of fact contained in this report as a basis of the analyses, opinions, and conclusions herein are true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to and relies upon the accuracy of information and material furnished by the owner of the Property or owner's representatives and on information and data provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by such members. Such information and data obtained from third party sources are assumed to be reliable and have not been independently verified. No warranty is made as to the accuracy of any of such information and data. Any material error in any of the said information or data could have a

substantial impact on the conclusions of this Report. The appraiser reserves the right to amend conclusions reported if made aware of any such error.

5. The opinion of value stated in this report is only as of the date of value stated in this report. An appraisal is inherently subjective and the conclusions stated apply only as of said date of value, and no representation is made as to the effect of subsequent events. This report speaks only as of the date hereof.

6. Any projected cash flows included in the analysis are forecasts of estimated future operating characteristics and are predicated on the information and assumptions contained within this report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of market expectations of future income and expenses. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. There is no warranty or assurances that these forecasts will occur. Projections may be affected by circumstances beyond anyone's knowledge or control. Any income and expense estimates contained in this report are used only for the purpose of estimating value and do not constitute predictions of future operating results.

7. The analyses contained in this report may necessarily incorporate numerous estimates and assumptions regarding Property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the analysis will vary from estimates, and the variations may be material.

8. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraphs, several events may occur that could substantially alter the outcome of the estimates such as, but not limited to changes in the economy, interest rates, capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. In making prospective estimates and forecasts, it is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

9. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. This report shall be considered only in its entirety. No part of this report shall be utilized separately or out of context.

10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the Firm. Possession of this report, or a copy hereof, does not carry with it the right of publication.

11. Client and any other Intended User identified herein should consider this report and the opinion of value contained herein as only one factor together with its own independent considerations and

underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors. The use of this report and the appraisal contained herein by anyone other than an Intended User identified herein, or for a use other than the Intended Use identified herein, is strictly prohibited. No party other than an Intended User identified herein may rely on this report and the appraisal contained herein.

12. Unless otherwise stated in the agreement to prepare this report, the appraiser shall not be required to participate in or prepare for or attend any judicial, arbitration, or administrative proceedings.

13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. No survey or analysis of the Property has been made in connection with this report to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. No expertise in ADA issues is claimed, and the report renders no opinion regarding the Property's compliance with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.

14. Acceptance and/or use of this report constitutes full acceptance of these Assumptions and Limiting Conditions and any others contained in this report, including any Extraordinary Assumptions and Hypothetical Conditions, and is subject to the terms and conditions contained in the agreement to prepare this report and full acceptance of any limitation of liability or claims contained therein.

Addendum A

Glossary of Terms

The following definitions are derived from The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).

- ***Absorption Period:*** The actual or expected period required from the time a property, group of properties, or commodity is initially offered for lease, purchase, or use by its eventual users until all portions have been sold or stabilized occupancy has been achieved.
- ***Absorption Rate:*** 1) Broadly, the rate at which vacant space in a property or group of properties for sale or lease has been or is expected to be successfully sold or leased over a specified period of time. 2) In subdivision analysis, the rate of sales of lots or units in a subdivision.
- ***Ad Valorem Tax:*** A tax levied in proportion to the value of the thing(s) being taxed. Exclusive of exemptions, use-value assessment provisions, and the like, the property tax is an ad valorem tax. (International Association of Assessing Officers [IAAO])
- ***Assessed Value:*** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.
- ***Cash Equivalency:*** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.
- ***Contract Rent:*** The actual rental income specified in a lease.
- ***Disposition Value:*** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. ***3)*** Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.
- ***Effective Rent:*** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.
- ***Excess Land:*** Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. See also ***surplus land.***

- ***Excess Rent:*** The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties.

- ***Exposure Time:*** 1) The time a property remains on the market. 2) [The] estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

- ***Extraordinary Assumption:*** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. See also ***hypothetical condition.***

- ***Fee Simple Estate:*** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

- ***Floor Area Ratio (FAR):*** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

- ***Frictional Vacancy:*** The amount of vacant space needed in a market for its orderly operation. Frictional vacancy allows for move-ins and move-outs.

- ***Full Service Lease:*** See ***gross lease.***

- ***General Vacancy:*** A method of calculating any remaining vacancy and collection loss considerations when using discounted cash flow (DCF) analysis, where turnover vacancy has been used as part of the income estimate. The combined effects of turnover vacancy and general vacancy relate to total vacancy and collection loss.

- ***Going-Concern Premise:*** One of the premises under which the total assets of a business can be valued; the assumption that a company is expected to continue operating well into the future (usually indefinitely).

- ***Going Concern Value:*** An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business.

- ***Gross Building Area (GBA):*** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space.

- ***Gross Lease:*** A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called full-service lease.

- ***Hypothetical Condition:*** 1) A condition that is presumed to be true when it is known to be false. (Appraisal Institute: The Standards of Valuation Practice [SVP]) 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. See also ***extraordinary assumption.***

- ***Intended Users:*** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.)

- ***Investment Value:*** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. ***2)*** The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (International Valuation Standards [IVS])

- ***Land-to-Building Ratio:*** The proportion of land area to gross building area; one of the factors determining comparability of properties.

- ***Lease:*** A contract in which the rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

- ***Leased Fee Interest:*** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

- ***Leasehold Interest:*** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

- ***Lessee:*** One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement.

- ***Lessor:*** One who conveys the rights of occupancy and use to others under a lease agreement.

- ***Liquidation Value:*** The most probable price that a specified interest in property should bring under the following conditions: 1) Consummation of a sale within a short time period. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under extreme compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time. 8) Payment will be made in cash in US dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone

associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.

- ***Market Rent:*** The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).

- ***Market Value:*** A type of value that is the major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined, such as the following. 1) The most widely accepted components of market value are incorporated in the following definition: The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. 2) Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. [2]

- ***Market Value of the Going Concern:*** The market value of an established and operating business including the real property, personal property, financial assets, and the intangible assets of the business.

- ***Marketing Time:*** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

- ***Modified Gross Lease:*** A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease.

- ***Net Lease:*** A lease in which the landlord passes on all expenses to the tenant. See also ***gross lease; modified gross lease.***

- ***Net Net Net Lease:*** An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called NNN lease, triple net lease, or fully net lease.

[2] The actual definition of value used for this appraisal is contained within the body of the report. The definition of market value given above is general in viewpoint and is only provided for amplification.

- ***Occupancy Rate:*** 1) The relationship or ratio between the potential income from the currently rented units in a property and the income that would be received if all the units were occupied. 2) The ratio of occupied space to total rentable space in a building.

- ***Overage Rent:*** The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakpoint sales volume.

- ***Percentage Rent:*** Rental income received in accordance with the terms of a percentage lease; typically derived from retail store and restaurant tenants and based on a certain percentage of their gross sales.

- ***Prospective Opinion of Value:*** A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

- ***Rentable Area:*** For office or retail buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based; calculated according to local practice.

- ***Retrospective Value Opinion:*** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion."

- ***Shell Rent:*** The typical rent paid for retail, office, or industrial tenant space based on minimal "shell" interior finishes (called vanilla finish or white wall finish in some areas). Usually the landlord delivers the main building shell space or some minimum level of interior build-out, and the tenant completes the interior finish, which can include wall, ceiling, and floor finishes, mechanical systems, interior electricity, and plumbing. Typically these are long-term leases with tenants paying all or most property expenses.

- ***Surplus Land:*** Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. See also ***excess land.***

- ***Turnover Vacancy:*** A method of calculating vacancy allowance that is estimated or considered as part of the potential income estimate when using discounted cash flow (DCF) analysis. As units or suites turn over and are available for re-leasing, the periodic vacancy time frame (vacancy window) to release the space is considered.

- ***Usable Area:*** 1) For office buildings, the actual occupiable area of a floor or an office space; computed by measuring from the finished surface of the office side of corridor and other permanent walls, to the center of partitions that separate the office from adjoining usable areas, and to the inside finished surface of the dominant portion of the permanent outer building walls. Sometimes called net building area or net floor area. See also floor area. 2) The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas.

- ***Use Value:*** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually. See also ***value in use.***

- ***Value In Use:*** The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. See also ***use value.***

- ***Value Indication:*** A valuer's conclusion of value resulting from the application of an approach to value, e.g., the value indication by the sales comparison approach.

Addendum B

Engagement Letter

NEWMARK

April 12, 2021

Tony Petruccello
Silver Arch Capital Partners, LLC
Continental Plaza
433 Hackensack Avenue, 12th Floor
Hackensack, NJ 07601
Phone: 201-254-2557
Email: tonypetruccello@silverarchcp.com

Re: Appraisal of the property described as:

Two 4-Story + BASMEMENT (Street Level) + CELLAR Walk-up "C7" class Mixed-Use Attached and Partially Combined Buildings with Basement Level Bar and Theatre and 2 Additional Commercial Spaces and Several Upper Floor Residential Apts. Erected circa 1830-1850 / Brick Façade Containing 14,400 sq.ft. Gross Building Area.

78-80 St Marks Place New York, NY

Property Type:	Mixed Use
Improvements:	14,970 SF
Site:	4,875 SF
Zoning:	R7A (Within a C1-5 Commercial Overlay)
Built:	1830-1850

Dear Mr. Petrucello:

Newmark Knight Frank Valuation & Advisory, LLC ("**Firm**") agrees to provide Silver Arch Capital Partners, LLC ("**Client**") an appraisal of the above Property in accordance with, and subject to, the terms and conditions set forth below and in the attached Schedules (collectively, "**Agreement**").

APPRAISAL FEE:	$5,000 (inclusive of expense).
RETAINER:	None
REPORT DELIVERABLES:	The appraisal, draft and/or final, shall be delivered in electronic format (typically, pdf). One original hard copy of the final appraisal will be provided to Client upon request.
COMMENCEMENT AND DELIVERY DATE:	Delivery is as follows: Draft appraisal report: 2 weeks Final appraisal report: 3 days following approval and request for final report

The appraisal process will commence upon receipt by the Firm of (i) this Agreement, signed by Client, (ii) the retainer, and (iii) information and materials identified in Schedule "B." The appraisal process will conclude upon delivery of the final appraisal report, unless terminated sooner by the Firm or Client or as provided herein.

REPORT TYPE:	Summary Appraisal Report
VALUATION PREMISE:	Market Value
INTEREST IN THE PROPERTY APPRAISED:	Fee Simple
DATE(S) OF VALUE:	As-Is
INTENDED USER(S):	The appraisal may be used and relied upon only by Silver Arch Capital Partners, LLC, and no other party is permitted to use or rely on the appraisal. The Firm disclaims liability to any party other than an Intended User identified herein.
INTENDED USE:	The intended use of the appraisal is solely for financing purposes ("**Intended Use**") and no other use.
GUIDELINES:	The analyses, opinions and conclusions are to be developed based on, and the appraisal will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Foundation.
SCOPE OF WORK:	The appraiser will use and properly apply all applicable and appropriate approaches to value sufficient to produce credible assignment results. The scope of the analysis will be appropriate for the appraisal problem.
ASSUMPTIONS/ LIMITING CONDITIONS:	The appraisal will be subject to Firm's standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal report. In addition, the appraisal may be subject to, and the appraisal report may contain, Extraordinary Assumptions and Hypothetical Conditions.
ACCEPTANCE:	This shall constitute a binding agreement only if countersigned by the Client, or by an officer, director or other representative of Client who, by signing and accepting this Agreement, represents and warrants that he/she is authorized by Client to do so.

PAYMENT:	The appraisal fee (and any expenses) will be earned in full upon initial delivery of the appraisal report (draft or final) and will be payable within 30 days of delivery to Client of the Firm's invoice. Payment of the fee is not contingent upon any predetermined value or on an action or event resulting from the analysis, opinions, conclusions or use of the appraisal.
CHANGES TO THE AGREEMENT:	Any significant changes to the assignment as outlined in this Agreement, such as the identity of the Client, Intended User, or Intended Use, will require the preparation and execution of a new agreement.
CANCELLATION OF ASSIGNMENT:	Client may cancel this Agreement at any time prior to the Firm's delivery of the appraisal upon written notification to the Firm. Client shall pay Firm for all work completed on the assignment prior to Firm's receipt of such written cancellation notice, unless otherwise agreed upon by Firm and Client in writing. The Firm may withdraw without penalty or liability from the assignment(s) contemplated by the Agreement before completion or reporting if the Firm determines, in the Firm's sole discretion, that incomplete information was provided to the Firm prior to the engagement, that Client or other parties have not or cannot provide documentation or information necessary to the Firm's analysis or reporting, that conditions of the Property render the original scope of work inappropriate, that a conflict of interest has arisen, or that Client has not complied with its payment obligations under this Agreement. The Firm shall notify Client of such withdrawal in writing.
NO THIRD-PARTY BENEFICIARIES:	Nothing in the Agreement shall create a contractual relationship or any legal duty between Firm or Client and any third party, nor any cause of action, right, or claim in favor of any third party and against Firm or Client. In addition, this Agreement is not intended to, and shall not be construed to, render any person or entity a third-party beneficiary of this Agreement. Client acknowledges and agrees that the appraisal report shall reflect the foregoing. In addition, the appraisal report shall state that no party other than an Intended User identified in the Agreement is entitled to rely upon the appraisal.

This Agreement may be rescinded by the Firm unless signed and returned to the undersigned within 10 days from the date hereof.

If this Agreement correctly sets forth the Client's understanding of the services to be rendered, and if the terms are satisfactory, please execute and return the Agreement together with any required retainer.

Respectfully,

Helene Jacobson

Helene Jacobson, MAI
Executive Managing Director
helene.jacobson@ngkf.com
212.372.2269 Office Direct

Agreed:
SILVER ARCH CAPITAL PARTNERS, LLC

SIGNATURE: A P

PRINT NAME: A Pernicello

TITLE: Director of Operations

DATE: 4/12/2021

Schedule "A"

TERMS AND CONDITIONS

ATTACHED TO AND A PART OF THE AGREEMENT DATED APRIL 12, 2021 TO PROVIDE APPRAISAL SERVICES FOR SILVER ARCH CAPITAL PARTNERS, LLC

1. These Terms and Conditions are attached to and incorporated into the above referenced Agreement as though fully set forth in full therein. Capitalized terms if not defined herein shall have the same meaning as defined in the Agreement.

2. With respect to any appraisal report, use of or reliance on the appraisal by any party, regardless of whether the use or reliance is authorized or known by the Firm, constitutes acceptance of these Terms and Conditions as well as acceptance of all other appraisal statements, limiting conditions and assumptions stated in the Agreement and appraisal report.

3. It is assumed that there are no matters affecting the Property that would require the expertise of other professionals, such as engineers or an environmental consultant, for Firm to provide the appraisal. If such additional expertise is required, it shall be provided by other parties retained by Client at Client's sole cost and expense.

4. Client acknowledges that the Firm is being retained as an independent contractor to provide the services described herein and nothing in this Agreement shall be deemed to create any other relationship between Firm and Client, including but not limited to an agency relationship. The parties neither intend nor have any expectation that any such relationship will arise as a matter of law or as a result of this Agreement. This assignment shall be deemed concluded and the services hereunder completed upon delivery of the appraisal described herein to Client.

5. All statements of fact contained in the appraisal report as a basis of the appraiser's analyses, opinions, and conclusions will be true and correct to the best of the appraiser's actual knowledge and belief. The appraiser is entitled to, and shall rely upon the accuracy of information and material furnished to the Firm by Client. Appraiser is also entitled to, and shall, rely on information provided by sources upon which members of the appraisal profession typically rely and that are deemed to be reliable by members of that profession without independent verification.

6. The Firm and the appraiser shall have no responsibility for legal matters, or questions or issues involving survey or title, soil or subsoil conditions, engineering, zoning, buildability, environmental contamination, structural matters, construction defects, material or methodology, or other similar technical matters with regarding the Property. Furthermore, the appraisal will not constitute a survey of the Property.

7. The appraisal and the data and information gathered in its preparation (other than the confidential data and information provided by Client) is and will remain, the property of the Firm. The Firm shall not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished by Client to the Firm. Notwithstanding the foregoing, the Firm and the appraiser are authorized by Client to disclose all or any portion of the appraisal and appraisal report and the related data and information, including confidential data and information provided by Client, to appropriate representatives of the Appraisal Institute if such disclosure is required to comply with the Standards, Bylaws and Regulations of the Appraisal Institute, as well as, such disclosure as required

by law and regulations, including compliance with a subpoena and licensing authority regulatory inquiries. The Firm is also authorized to include both confidential and non-confidential data assembled in the course of preparing the appraisal and which may be incorporated into the appraisal report in a database controlled by the Firm for the aggregation of such data and information to produce analytics and other metrics or products.

8. Unless specifically noted in the appraisal report, the appraisal will not take into consideration the possibility or probability of the existence of asbestos, PCB transformers, other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material) at on or in the Property, or the cost of encapsulation, removal or remediation thereof.

9. Client shall indemnify, defend (by counsel to be selected by Firm), protect, and hold Firm and Firm's appraisers, agents, employees, affiliates, representatives, successors and assigns (each, a "**Firm Party**"), free and harmless from any and all claims, liabilities, losses, penalties, fines, forfeitures, amounts paid in settlement, judgments, and all reasonable attorneys' fees and related litigation costs, fees and expenses incurred by the any of such indemnitees, which result from (i) any failure by Client or Client's agents or representatives to provide Firm with complete and accurate information regarding the Property; (ii) any material breach by Client of the provisions of the Agreement; (iii) if delivery of the appraisal to a third party is permitted by the Firm, Client providing an incomplete copy of the appraisal to such third party; or (iv) arising from Client or Client's agents or representatives providing a copy of the appraisal to a party not authorized by the Firm to receive such copy.

10. In preparing the appraisal, it is possible that the appraiser will discover conflicting information. In that event, appraiser will utilize information and data considered to be the most authoritative and for critical information will document the source. Information and data referred to may include, but is not limited to, legal descriptions; physical street addresses; assessor parcel numbers; property history; dimensions and areas of the site/land; dimensions and areas of the building improvements; physical unit counts; rent rolls; leases; lease abstracts; income and expense data; and any other related data. Any material discrepancy and/or error in any of the above data could have a substantial impact on the conclusions reported, and the Firm therefore reserves the right to amend conclusions reported if the Firm is made aware of any such discrepancy and/or error.

11. The appraisal may not be used, included or referenced, in whole or in part, in any offering or other materials without the prior written consent of the Firm, which consent may be conditioned upon the receipt by the Firm of an indemnity agreement, in form and content, satisfactory to Firm and provided by an indemnitor satisfactory to Firm. Client agrees to pay the fees of the Firm's legal counsel for review of any materials which is the subject of the requested consent. Except as agreed by the Firm expressly in writing, the Firm disclaims liability to any party other than Client.

12. The Firm shall not provide a copy of the appraisal to, or disclose the results of the appraisal to, any party other than Client, unless Client authorizes same, except as provided in the Confidentiality Section of the ETHICS RULE of the Uniform Standards of Professional Appraisal Practice (USPAP) or as otherwise required by law or regulations.

13. Client and any other identified Intended User should consider the appraisal as only one factor together with its own independent considerations and underwriting guidelines in making any decision or investment or taking any action regarding the Property. Client agrees that Firm shall not be responsible in any way for any decision of Client or any Intended User related to the Property or for the advice or services provided by any other advisors or contractors.

14. Unless otherwise stated in this Agreement, Client agrees that the services pursuant to this Agreement shall not include participation in or preparation for, or attendance at, any legal, judicial, administrative, or arbitration proceeding relating to this assignment. In the event the Firm or any Firm Party is required, whether through the service of a subpoena or otherwise, to produce documents or participate in or prepare for any discovery, testimony or attendance, relating to the appraisal or this assignment, where the Firm or Firm Party is not a party to the action or proceedings involved, Client agrees to reimburse expenses incurred by the Firm or Firm Party, including attorney's fees, in responding to such subpoena or other legal process and compensate the Firm therefor based upon the appraiser's prevailing hourly or daily rate for providing services as an expert consultant or witness.

15. Except as expressly provided herein, Firm makes no representations or warranties to Client or to any other person or entity with respect to the appraisal and the services to be provided by Firm under this Agreement. To the maximum extent permitted under applicable law, in no event will the Firm or any Firm Party be liable to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) for any indirect, special, exemplary, incidental, or consequential damages (including loss of profits) arising from or relating to this Agreement or the appraisal, even if such party knew or should have known of the possibility of, or could reasonably have prevented, such damages. In no event shall the total liability of the Firm or any Firm Party to Client or any third party (regardless of whether such party's claimed use or reliance on the appraisal was authorized by the Firm or a Firm Party) arising from or relating to this Agreement or the appraisal, whether based on tort, contract, or any other legal theory, exceed the amount of fees paid to the Firm for the appraisal and the services described herein. Legal claims or causes of action relating to the appraisal are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

16. Federal banking regulations require banks and other lending institutions to engage appraisers where FIRREA compliant appraisals must be used in connection with mortgage loans or other transactions involving federally regulated lending institutions. In view of that requirement, the appraisal may not be accepted by a federally regulated financial institution.

17. In the event Client fails to make payments of any fees or sums when due and payable under this Agreement; then from the date due and payable until paid, the amount due and payable shall bear interest at the maximum rate permitted under the laws of the state in which the Property is located. If the Firm is required to undertake collection efforts including institution of legal action against Client relating to the Agreement, the Firm shall be entitled to recover attorney's fees, litigation expenses, and costs from Client.

18. To the extent permitted under applicable law, any legal action or lawsuit or other proceeding by Client or any Intended User of the appraisal against Firm or a Firm Party whether based in contract, tort, warranty, indemnity or otherwise, relating to the appraisal shall be commenced within two (2) years from the date of delivery of the appraisal to the claimant in such action or proceeding, unless the applicable law provides for a shorter period, and any such claimant waives the right to a jury in any such legal action or lawsuit or other proceeding. Notwithstanding the state of domicile or residency of either party to this Agreement, this Agreement shall be governed and construed under the laws of the

state in which the Property is located, and venue for any action or proceeding arising out of this Agreement shall be deemed proper only in the court of competent jurisdiction located in the state in which the Property is located.

19. Throughout the performance of services under this Agreement, the Firm shall maintain at its sole cost and expense the following insurance:

    (a) Workers' Compensation, so as to provide statutory benefits as required by the laws of each state within the United States in which the Firm's services are being provided, and Employer's Liability insurance with limits of liability of $1,000,000 each accident, $1,000,000 disease each employee and $1,000,000 disease policy limit covering all employees of the Firm engaged in the performance of such services.

    (b) Fidelity insurance or bond with a limit of $1,000,000 to insure the Firm against loss of its or Client's assets caused from the dishonest acts of the Firm's employees.

    (c) Professional Liability insurance with a limit of liability of $1,000,000 each claim and $1,000,000 aggregate, which limits may be provided by a combination of primary and excess policies.

    (d) Commercial General Liability insurance providing coverage against damages due to bodily injury (including death), property damage and personal and advertising injury arising in connection with the Firm's services provided under this Agreement, which insurance coverage shall: (i) be occurrence-based; (ii) provide limits of liability in an amount of $1,000,000 each occurrence and $1,000,000 aggregate (including excess and/or umbrella limits), (iii) include at least those coverages generally included in the most current ISO Commercial General Liability insurance policy form (or its equivalent); and (iv) include Client, and such other persons or entities as Client has identified in writing, as additional insureds solely with regard to claims arising out of this Agreement.

    (e) Commercial automobile liability for owned, hired and non-owned motor vehicles, with a $1,000,000 combined single limit.

Schedule "B"

PROPERTY INFORMATION LIST

ATTACHED TO AND A PART OF THE AGREEMENT DATED APRIL 12, 2021 TO PROVIDE APPRAISAL SERVICES FOR SILVER ARCH CAPITAL PARTNERS, LLC

The following information is requested to be delivered to the Firm so we can provide the proposed services and prepare the Appraisal within the agreed upon time frame. Please forward the physical data such as the site plan, previous engineering reports and/or property reports describing the physical attributes of the Property and all financial information such as rent roll and income and expense statements first as these items are the most time sensitive and should be received immediately to meet the time requirements of this assignment. If, at this time, you are certain you will not be providing any specific items noted below, please cross out the item and mark "NA" next to the item so that we will be notified that the information is not available and will not be forthcoming.

1. **Please indicate whether Newmark is sales broker, leasing broker, mortgage broker or property manager for the subject property**.
2. Site plan, if available. (Preferably, an AS BUILT PLAN showing an outline of building/s drawn to scale. Please do not send reductions so original scale may be used for measurement purposes.
3. Building plans, if available.
4. Prior engineering report or physical descriptions from prior appraisals or asset management report, if available.
5. Leasing brochures and/or other marketing materials, if available.
6. If the Property has been offered for sale within the last two years, a copy of the offering memorandum or investment book.
7. Past feasibility or market studies and economic impact studies as well as any relevant information collected from third party sources.
8. Agreements of Sale/Options to Buy (current or during last three years), if any.
9. Income and expense statements for the past three years plus year-to-date income and expense statements.
10. Operating budget for current and next year, if available.
11. Management contracts.
12. Copy of most recent real estate tax bill. Please advise if there has been a notice or inquiry by either the County Assessment Board or the School Board regarding the property assessment. Is there any pending litigation or negotiations with these parties that could result in an assessment increase or decrease?

13. Title report, Legal Description, or copy of deed. Provide a written statement of five-year history of legal property owner. Please advise, if there any deed restrictions or encumbrances, easements or cross easements.
14. Personal property inventory, if available.
15. Occupancy rates for the last three years, if not revealed in the financial statements.
16. Ground leases, if any.
17. Approximate actual construction costs, if built during the past three years.
18. Environmental audits and studies disclosing any wetlands, hazardous wastes or other environmental conditions such as asbestos or radon.
19. List of any known major repairs and improvements needed.
20. Three-year history of capital improvements.
21. Name of contact person for the on-site physical inspection.

For Apartment Property

22. Unit mix showing rentable area and asking rent by unit type
23. Scaled apartment unit plans showing layouts and measurements so that rentable area can be confirmed, if available.
24. Rent roll showing tenant name, apartment number, dates of leases and the type of apartment, asking/market rents for each apartment, and contractual rent for each apartment unit. (It would be greatly appreciated if you can provide the rent roll in Excel.)
25. Terms of leases and/rent roll for leased commercial space or roof top rentals. Copies of commercial leases are desirable. If any commercial leases provide for pass through of operating expenses over a base year stop, please provide the dollar amount of the base year stop.

For Industrial, Office, Retail Property

26. Rent Roll (please sign and date) and copies of leases, including addenda and all amendments. Please indicate which leases may have early termination provisions, expansion and/or purchase options. Please identify any tenants who have initiated discussions to renew, terminate or renegotiate/modify their lease(s), or who have given notice to terminate. Proposed terms for such re-negotiations should be revealed.
27. Provide letters of intent to lease or other any outstanding lease proposals that have a reasonable likelihood of being finalized into executed leases.
28. Prior Argus files, if any.
29. List of outstanding leasing commissions brokers and terms of future payments.
30. Financial information such as Annual Statements or credit report/ratings on any major tenant in the building.

31. CAM and real estate tax reimbursement worksheets or listing of base year operating expenses, if applicable.
32. Three-year history of tenant retail sales, if available.

For Lodging Property

33. Terms of leases if any and/rent roll for leased commercial space or roof top rentals.
34. ADR and Occupancy rates for the last three years, if not revealed in the financial statements.
35. Business Plan and Marketing Strategy, if any for the upcoming fiscal year.
36. Terms of franchise agreement and management agreement, if any.

For Residential Subdivision Property

37. Building plans for the proposed single family, townhouse, age-restricted, and condominium residences. Please do not send reductions so original scale may be used for measurement purposes.
38. Market Surveys and Feasibility Analyses, if any, for the proposed development program.
39. Marketing materials for the proposed single family, townhouse, age-restricted, and condominium residences.

Addendum C

Financials and Property Information

Hwang, Wendy

From:	Eugenie Otway <eugenieotway@gmail.com>
Sent:	Tuesday, April 13, 2021 3:48 PM
To:	Hwang, Wendy
Subject:	Appraisal information
Attachments:	Appraisal March 2021- 78-80 St. Marks Place.pdf; 78-80 ST MARKS PLACE LLC DEED.pdf; Projections SILVER ARCH.pdf; 78-80 St. Marks Place LLC expenses 2019.pdf; 78-80 St Marks Larger Repairs Remodel Construction ATTACH.pdf; SURVEY 80 ST MARKS.pdf; W603474 Title Report (1) 80 st marks from Abstracts.pdf

This is from Eugenie Otway

I am including the most recent appraisal . There was one done in 2019 but this is most recent and may be helpful .
I am also include the survey. The survey company can certify it to Silver Arch.
The appraiser counted the ground floor businesses as being in a basement due to the language employed in Dutch architecture . The ground floor businesses are only a few steps below the sidewalk and are for all intents and purposes are ground floor businesses.

Good morning Lawrence,

I hope this email finds you well.
Newmark has been retained by Silver Arch Capital Partners to appraise the subject property.
In order to do that, I would need the following information.
If you have any questions, please feel free to contact me.
Thank you.

- Current rent roll (preferably in excel)
  - Including tenant, bedroom count, bathroom count, sqft, rent, unit type (RS, FM, or RC), lease start & expiration, occupancy status, etc.)
  - Leasing brochure or other marketing materials, if any.

There is no brochure or marketing for renting. We have 2 residentials and they have been here long term.

Residential Rents

80 St. Marks Place
Townhouse $12, 000 $144, 000

Townhouse has 4 bedrooms, 4 bathrooms (1 in master bedroom) , 2250 feet so $5.33 , Unit type
This is owner occupied so there is no expiration. Occupancy status, owner occupied.

Most of the building except for the 2 residentials are owner occupied so there are no expirations for these.

78 St Marks Place
Unit 3
Ori Kushnir and Sivan Lahat $3,605 so $4.8 $36,000

Sept 1 , 2019 to August 31, 2022
There is a floor thru without a separate bedroom , 1 bathroom, 750 square feet, occupied

Unit 4
78 St Marks Place
Aya Ikeda
Aug 1, 2019 to July 31, 2021
This is a floor thru with 1 bedroom, 1 bath, 750 square feet , $3.9 $2950 $35,400

Commercial Rents 78 St. Marks Place	MONTHLY	ANNUAL
Scheib's Place Inc. Ground level	$14, 000	$168,000
Theatre 80 LLC, 80 St. Marks Place, Ground level and sublevel	$10, 000	$120,000
78 St. Marks upstairs Unit 1 Museum of the American Gangster	$ 5,000	$ 60,000
Unit 2 Meeting Space	$3,500	$42,000
Total	$50,450	$605,400

There are currently discussions to lease the naming rights of the building which have been assessed at between $300,000 to $600,000. a year. We expect to hear news on this soon.

- Copy of the latest Registration Summary from DHCR, if any of the residential units are rent regulated. NONE ARE RENT REGULATED
- Copies of retail, office, and garage leases along with any amendments, including listing information on vacant commercial spaces THERE ARE NONE
- If there are other sources of income, please provide details.
  - This may include laundry service agreement, antenna leases, etc.

OTHER SOURCE OF INCOME
1. Income from the other businesses in the building , Theatre 80 Inc. , Scheibs Place, and the Museum of the American Gangster
2. As stated above, we are currently in discussions concerning naming rights and sponsorship .

- Copy of recent deed or title report ATTACHED

- 3 years of historical operating statement and operating budget for current and next year We have projections which I will attach
-
- Details of amenities within the building, including if additional fees are charged to tenants for access.
- There is a balcony in 78 Unit 3 but no amenities for which we have additional fees such as laundry room or pool
-
- Planned major capital improvement or list of other major repairs or improvements.

Attached is a list of recent repairs and improvements . We were planning to redo the facade of the building and scraped off some of the paint but stopped that once Covid began.

- If the property is under contract, please provide a copy of the PSA. NO
-
- Copy of any tax abatement & exemption document and/or information.
    - Please provide any contracts or agreement associated with the exemption/abatement.
- THERE ARE NONE
- Contact information for on-site physical inspection EUGENIEOTWAY@GMAIL.COM 646 217 8816

78-80 St. Marks Place LLC Building Expenses 2019

Electricity includes Gas	14,921
Property insurance	14,998
Visiting Superintendent	5610
Management Fee	43,170
Real estate tax	157,000
Water Sewer	14,236
Supplies	1,109
Maintenance and Repair	12,770
Exterminating	1,428
TOTAL	$265,242

Addendum D

Comparable Data

Improved Sales

Multifamily Sale Comparable 1

340 East 9th Street

Location Information	
Location	340 East 9th Street New York City, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block 450, Lot 24
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	7,299 SF
Rentable Area	7,299 SF
Land Acres	0.05 Acres
Land SF	2,348 SF
Number of Units	10
Density (Units per Acre)	434782.6
Average Unit Size	730 SF
No. of Stories	5
Year Built (Renovated)	1900 (2005)
Construction	Masonry
Condition	Average
Parking	
Investment Class	Class C
Elevators	
Financial Data	
Occupancy	100.0%
Property Operations Status	$0

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	February 5, 2021
Marketing Time	N/A
Grantor	340 E. 9th Street Property INC.
Grantee	Keystone 340 East Ninth LLC
Document No.	2.02102E+15
Price	$5,975,000
Financing Terms	
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$5,975,000
Price Per Unit	$597,500

Financial Indicators	
NOI	N/A
Derived Cap Rate	N/A
Reported Cap Rate	6.12%
Verification	Confirmed-Seller Broker

Comments

This is the sale of a walk-up building with 10 units. The units all have 2 bedroom and 2 bathrooms and include one rent stabilized unit and nine market rate units. The seller was represented by Bryan Hurley and Michael DeCheser of Cushman & Wakefield.

Multifamily Sale Comparable 2

54 Avenue C

Location Information	
Location	54 Avenue C
	New York City, NY
Market	Valuation Properties
Submarket	Valuation Apartment / Multi Housing
County	New York
APN	Block: 374; Lot: 1
Physical Property Summary	
Property Type	Multifamily (Mid/High Rise)
Gross Building Area	6,929 SF
Rentable Area	6,929 SF
Land Acres	0.03 Acres
Land SF	1,501 SF
Number of Units	10
Density (Units per Acre)	290.2
Average Unit Size	693 SF
No. of Stories	5
Year Built (Renovated)	1900
Construction	
Condition	Average
Parking	
Investment Class	Class C
Elevators	
Financial Data	
Occupancy	100.0%
Property Operations Status	$0

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	November 19, 2020
Marketing Time	N/A
Grantor	303 E 4th Realty, LLC
Grantee	303 East 4th Street LLC
Document No.	0
Price	$3,672,530
Financing Terms	
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$3,672,530
Price Per Unit	$367,253

Financial Indicators			
NOI	N/A		
Derived Cap Rate	N/A		
Reported Cap Rate	6.25%	Verification	0

Comments

This is the sale of a 5-story, walk-up mixed-use apartment building containing 8 residential units and 2 ground-floor retail units. Of the 8 residential units, 3 are rent stabilized.

Multifamily Sale Comparable 3

94 Saint Marks Place

Location Information	
Location	94 Saint Mark's Place
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 435; Lot: 11

Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	7,020 SF
Rentable Area	7,020 SF
Land Acres	0.04 Acres
Land SF	1,829 SF
Number of Units	10
Density (Units per Acre)	238.2
Average Unit Size	702 SF
No. of Stories	5
Year Built (Renovated)	1900 (1986)
Construction	Masonry
Condition	Average
Parking	
Investment Class	Class C
Elevators	

Financial Data	
Source	Seller
Occupancy	100.0%
Property Operations Status	Stabilized Operations

Financial Indicators	
NOI	$467,500
Derived Cap Rate	5.50%
Reported Cap Rate	5.50%

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	August 24, 2020
Marketing Time	N/A
Grantor	94 St Marks LLC
Grantee	CRG-94STMARKS LLC
Document No.	2020090100498000
Price	$8,500,000
Financing Terms	
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$8,500,000
Price Per Unit	$850,000

Pro Forma Stabilized Operations	
NOI	$467,500
Derived Cap Rate	5.50%
Verification	Secondary Verification

Comments

This is the sale of a 5-story, walk-up apartment building containing 10 residential units and 3 retail spaces. Of the 10 residential units, one is rent stabilized. The property was not marketed by a broker.

Multifamily Sale Comparable 4

506 East 6th Street

Location Information	
Location	506 East 6th Street
	New York, NY
Market	NY - New York City - Midtown South
Submarket	NYC Midtown South Metro Area
County	New York
APN	Block: 401; Lot: 13
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	6,825 SF
Rentable Area	6,825 SF
Land Acres	0.06 Acres
Land SF	2,426 SF
Number of Units	14
Density (Units per Acre)	251.4
Average Unit Size	488 SF
No. of Stories	5
Year Built (Renovated)	1920 (1987)
Construction	Masonry
Condition	Average
Parking	
Investment Class	Class C
Elevators	
Financial Data	
Occupancy	100.0%
Property Operations Status	Stabilized Operations
Financial Indicators	
NOI	$205,400
Derived Cap Rate	5.20%
Reported Cap Rate	5.20%

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	August 24, 2020
Marketing Time	N/A
Grantor	East 24th Street Holding Co. LLC
Grantee	AAIC 506 LLC/LR 506 LLC
Document No.	0
Price	$3,950,000
Financing Terms	
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$3,950,000
Price Per Unit	$282,143
Pro Forma Stabilized Operations	
NOI	$205,400
Derived Cap Rate	5.20%
Verification	Secondary Verification

Comments

This is the sale of a 5-story walk-up apartment building containing 14 residential units. Of the 14 residential units, 10 are free market and 4 are rent stabilized.

Multifamily Sale Comparable 5

109 Avenue A

Location Information	
Location	109 Avenue A
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 434; Lot: 29
Physical Property Summary	
Property Type	Multifamily (Mid/High Rise)
Gross Building Area	16,581 SF
Rentable Area	16,581 SF
Land Acres	0.05 Acres
Land SF	2,292 SF
Number of Units	8
Density (Units per Acre)	152.0
Average Unit Size	2,073 SF
No. of Stories	7
Year Built (Renovated)	1908 (2012)
Construction	Masonry
Condition	Average
Parking	
Investment Class	Class C
Elevators	
Financial Data	
Source	Broker
Occupancy	100.0%
Property Operations Status	Stabilized Operations
Financial Indicators	
NOI	$939,975
Derived Cap Rate	4.53%
Reported Cap Rate	4.53%

Sale Data	
Transaction Type	Closed
Interest Conveyed	Leased Fee
Date	February 28, 2020
Marketing Time	N/A
Grantor	Park Corner Development LLC
Grantee	Tompkins Square Acquisition LLC
Document No.	0
Price	$20,750,000
Financing Terms	
Price Adjustments For:	
Financing	$0
Conditions of Sale	$0
Other	$0
Adjusted Price	$20,750,000
Price Per Unit	$2,593,750
Pro Forma Stabilized Operations	
NOI	$939,975
Derived Cap Rate	4.53%
Verification	Secondary Verification

Comments

This is the sale of a 5 unit multifamily property located at 109 Avenue A in the East Village on February 28, 2020 for $20,750,000. The building contains 5 residential (market rate) units, 2 retail units, and 1 office unit. There are 4 three-bedroom units and 1 four-bedroom unit. It has yet to be determined if this should be marked as a leasehold since the one tenant has a 99-year lease for their space. The sale information was confirmed through a contact for the brokers. This is the sale of a 7-story elevator apartment building containing 5 residential units, 2 retail units, and 1 office unit. All of the residential units are market rate. The building was recently gut renovated.

Lease Comparables

Multifamily Rental Survey Comparable 1

23 West 12th Street

Location Information	
Location	23 West 12th Street New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 576; Lot: 54
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	7,000 SF
Rentable Area	7,000 SF
Number of Units	4
Average Unit Size	1,750 SF
No. of Stories	4
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1900
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	100.0%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	3BR/3BA - 3 Bed/3 Bath	1,870	$9,995	$5.34	
1			1,870	$9,995	$5.34	

Comments

Multifamily Rental Survey Comparable 2

191 Chrystie Street

Location Information	
Location	191 Chrystie Street
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 426; Lot: 31
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	37,500 SF
Rentable Area	37,500 SF
Number of Units	7
Average Unit Size	5,357 SF
No. of Stories	6
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1920 (2006)
Construction	Masonry
Condition	Good
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	85.70%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	4BR/3BA - 4 Bed/3 Baths	3,078	$11,000	$3.57	
1			3,078	$11,000	$3.57	

Comments

Multifamily Rental Survey Comparable 3

20 West 9th Street

Location Information	
Location	20 West 9th Street
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 572; Lot: 30
Physical Property Summary	
Property Type	Multifamily (Townhome)
Gross Building Area	7,043 SF
Rentable Area	7,043 SF
Number of Units	6
Average Unit Size	1,174 SF
No. of Stories	4
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1845
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	100.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	4BR/3.5BA - 4 Bed/3.5 Baths	2,400	$17,500	$7.29	Includes 800 SF Garden
1			2,400	$17,500	$7.29	

Comments

Multifamily Rental Survey Comparable 4

168-170 East 7th Street

Location Information	
Location	168-170 East 7th Street
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 402; Lot: 28
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	9,720 SF
Rentable Area	9,720 SF
Number of Units	20
Average Unit Size	486 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1911 (1987)
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	95.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	0BR/1BA - Studio/1 Bath	475	$2,400	$5.05	
1	1	1BR/1BA - 1 Bed/1 Bath	650	$3,320	$5.11	
1	1	2BR/2BA - 2 Bed/2 Bath	1,000	$5,125	$5.13	
3			708	$3,615	$5.10	

Comments

Multifamily Rental Survey Comparable 5

743 East 6th Street

Location Information	
Location	743 East 6th Street
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 376; Lot: 43
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	3,680 SF
Rentable Area	3,680 SF
Number of Units	2
Average Unit Size	1,840 SF
No. of Stories	3
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1940
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	100.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	3BR/2BA - 3 Bed/2 Baths	1,650	$10,828	$6.56	
1			1,650	$10,828	$6.56	

Comments

Multifamily Rental Survey Comparable 6

46 Saint Mark's Place

Location Information	
Location	46 Saint Mark's Place New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 449; Lot: 12
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	6,645 SF
Rentable Area	6,645 SF
Number of Units	8
Average Unit Size	831 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1940 (1986)
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	100.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	1BR/1BA - 1 Bed/1 Bath	700	$2,995	$4.28	
1			700	$2,995	$4.28	

Comments

Multifamily Rental Survey Comparable 7

60 East 7th Street

Location Information	
Location	60 East 7th Street
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 448; Lot: 14

Physical Property Summary	
Property Type	Multifamily (Mid/High Rise)
Gross Building Area	7,711 SF
Rentable Area	7,711 SF
Number of Units	10
Average Unit Size	771 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1920
Construction	Brick
Condition	Average
Parking	None
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	90.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	1BR/1BA - 1 Bed/1 Bath	700	$3,100	$4.43	
1	1	2BR/1BA - 2 Bed/1 Bath	960	$4,000	$4.17	
2			830	$3,550	$4.28	

Comments

Multifamily Rental Survey Comparable 8

118 Saint Mark's Place

Location Information	
Location	118 Saint Mark's Place
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 435; Lot: 23

Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	5,020 SF
Rentable Area	5,020 SF
Number of Units	8
Average Unit Size	628 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1900 (1986)
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	100.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	1BR/1BA - 1 Bed/1 Bath	500	$2,950	$5.90	
1			500	$2,950	$5.90	

Comments

Multifamily Rental Survey Comparable 9

16 Saint Mark's Place

Location Information	
Location	16 Saint Mark's Place
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 463; Lot: 17
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	11,908 SF
Rentable Area	11,908 SF
Number of Units	20
Average Unit Size	595 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1900
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	88.90%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
2	2	1BR/1BA - 1 Bed/1 Bath	500	$2,500	$5.00	
2			500	$2,500	$5.00	

Comments

Multifamily Rental Survey Comparable 10

111 East 12th Street

Location Information	
Location	111 East 12th Street
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 558; Lot: 48
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	8,322 SF
Rentable Area	8,322 SF
Number of Units	10
Average Unit Size	832 SF
No. of Stories	6
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1900
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	100.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	0BR/1BA - Studio/1 Bath	650	$3,650	$5.62	
1			650	$3,650	$5.62	

Comments

Multifamily Rental Survey Comparable 11

78 East 3rd Street

Location Information	
Location	78 East 3rd Street New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 444; Lot: 28

Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	7,018 SF
Rentable Area	7,018 SF
Number of Units	20
Average Unit Size	351 SF
No. of Stories	4
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1910
Construction	Masonry
Condition	Average
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	75.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
2	2	0BR/1BA - Studio/1 Bath	350	$2,150	$6.14	
2	2	1BR/1BA - 1 Bed/1 Bath	425	$2,600	$6.12	
1	1	2BR/2BA - 2 Bed/2 Baths	700	$4,100	$5.86	
5			450	$2,720	$6.04	

Comments

Multifamily Rental Survey Comparable 12

100 Saint Mark's Place

Location Information	
Location	100 Saint Mark's Place
	New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 435; Lot: 14
Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	10,322 SF
Rentable Area	10,322 SF
Number of Units	20
Average Unit Size	516 SF
No. of Stories	5
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1900 (2018)
Construction	Masonry
Condition	Good
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	95.00%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	0BR/1BA - Studio/1 Bath	425	$2,100	$4.94	
1			425	$2,100	$4.94	

Comments

Multifamily Rental Survey Comparable 13

520 East 14th Street

Location Information	
Location	520 East 14th Street New York, NY
Market	NY - New York City - Downtown
Submarket	NYC Downtown Metro Area
County	New York
APN	Block: 408; Lot: 18

Physical Property Summary	
Property Type	Multifamily (Walk-Up)
Gross Building Area	21,007 SF
Rentable Area	21,007 SF
Number of Units	44
Average Unit Size	477 SF
No. of Stories	6
Max Ceiling Height (Feet)	N/A
Year Built (Renovated)	1900 (2011)
Construction	Masonry
Condition	Good
Parking	0
Investment Class	Class C
Elevators	0

Lease Availability Details	
Survey Date	Apr-2021
Overall Occupancy at Survey	88.60%
Leasing Agent	0

Residential Unit Mix

Units	Occ Units	Unit Description	Unit Size	Base Rent	$/SF	Comments
1	1	0BR/1BA - Studio/1 Bath	450	$2,233	$4.96	
3	3	2BR/1BA - 2 Bed/1 Bath	600	$2,400	$4.00	
4			563	$2,358	$4.19	

Comments

Addendum E

Appraiser Qualifications and Licenses

HELENE JACOBSON, MAI, MRICS

Executive Managing Director – National Valuation & Advisory Co-Lead

Newmark Knight Frank
125 Park Avenue
New York, NY 10017
Helene.Jacobson@ngkf.com
T 212.372.2269

Years of Experience

27 Years

Areas of Specialization

- Valuation & Advisory

Professional Background

Helene Jacobson, MAI, MRICS, joined Newmark Knight Frank in 2017 as executive managing director - national valuation & advisory co-lead to help drive the development of the firm's new valuation practice by leveraging technology along with best-in-class valuation practice.

In her role, Ms. Jacobson utilizes her broad industry knowledge to further expand NKF's core real estate businesses and services as well as the firm's emerging specialty practice groups. In addition, Ms. Jacobson is involved in all aspects of the firm's day-to-day operations, including bidding, structuring and engaging appraisal assignments, and managing and co-leading NKF's V&A Portfolio Valuation team.

Ms. Jacobson has extensive experience in the preparation and review of real estate appraisals, feasibility studies, rent analyses and market studies of commercial and residential properties. Clients have included financial institutions, developers, and individual and corporate property owners and attorneys.

Ms. Jacobson joined NKF after almost 25 years at CBRE. As senior managing director of the tristate region, her role included quality control, appraisal review, business development, portfolio coordination and marketing.

Professional Affiliations

Ms. Jacobson holds the MAI designation from the Appraisal Institute, is a member of the Royal Institution of Chartered Surveyors (MRICS) and has appraisal licenses in New York, New Jersey and Connecticut.

Education

Ms. Jacobson earned a Master of Science degree in real estate with a concentration in valuation and analysis from New York University and a Bachelor of Business Administration degree in finance from George Washington University.

UNIQUE ID NUMBER
46000026005

State of New York
Department of State
DIVISION OF LICENSING SERVICES

FOR OFFICE USE ONLY
Control No. 117711

PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE

MO.	DAY	YR.
12	06	20

EXPIRATION DATE

MO.	DAY	YR.
12	05	22

JACOBSON HELENE B
C/O NGKF
125 PARK AVE
NEW YORK, NY 10017

HAS BEEN DULY CERTIFIED TO TRANSACT BUSINESS AS A R. E. GENERAL APPRAISER

In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed.
ROSSANA ROSADO
SECRETARY OF STATE

DOS-1098 (Rev. 3/01)

WENDY HWANG, MRICS

Executive Vice President

Newmark Knight Frank
125 Park Avenue
New York, NY 10017
wendy.hwang@ngkf.com
T 212.372.2176

Areas of Specialization

- Valuation & Advisory
- Due Diligence

Wendy Hwang joined Newmark Knight Frank's Valuation & Advisory in 2017 and currently serves as a senior vice president in the company's New York headquarters. A New York state certified appraiser, Ms. Hwang brings to her position over 17 years of experience in real estate valuation as well as asset and construction management. She has appraised more than 800 buildings valued in excess of $75 billion. These properties encompass a broad range of existing and proposed commercial and residential properties, residential condominium and cooperative developments, bulk sales, retail and mixed-use properties in all of New York's five boroughs as well as New Jersey. Notable assignments include the following:

- 157 West 57th Street
- 432 Park Avenue
- Stuyvesant Town & Peter Cooper Village
- Plaza Hotel
- 220 Central Park South
- 8 Spruce Street
- 555 Tenth
- The Eugene
- MiMA
- Jackson Park LIC

Between 2013 and 2016, Ms. Hwang managed a portfolio of more than 250 buildings, focusing on commercial leasing, property management and construction management at a generational NYC residential owner/operator. She typically managed at least 25 capital improvement projects at a time and was personally involved in filing for DOB approvals, MCI increases and tax abatements and exemptions for rent-regulated apartment buildings as well as properties located within historical districts.

Ms. Hwang started her career as an appraiser focusing on New York and New Jersey commercial and residential properties at Cushman & Wakefield, Inc. and Vanderbilt Appraisal Company. In 2016, she founded WH Solutions, LLC, a consulting company focusing on construction administration and real estate valuation and advisory. The WH Solutions is a MBE, WBE, WOSB, and DBE certified company, and it's an affiliate of Newmark Knight Frank.

PROFESSIONAL AFFILIATIONS:

- Chairman, advisory board, and former president, Korean Real Estate Professional Association
- Candidate for designation, Appraisal Institute
- Certified general real estate appraiser, state of New York
- Member of RICS (MRICS)

Ms. Hwang earned a Bachelor of Science degree in computer science and a minor in literature from Stevens Institute of Technology.

UNIQUE ID NUMBER
46000048428

State of New York
Department of State
DIVISION OF LICENSING SERVICES

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PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.

EFFECTIVE DATE

MO.	DAY	YR.
11	25	19

EXPIRATION DATE

MO.	DAY	YR.
11	24	21

HWANG MI W
C/O WH SOLUTIONS LLC
11 DEMAREST AVE
WEST.NYACK, NY 10994-6178

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